HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-FOURTH PARLIAMENT

38 Elizabeth II

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TO THE FIFTH DAY OF MAY, 1989

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HOUSE OF COMMONS

Monday, April 3, 1989

SECOND SESSION – THIRTY-FOURTH PARLIAMENT – OPENING

[*Translation*]

The Parliament, which had been prorogued on the twenty-eighth day of February, 1989, met this day in Ottawa for the dispatch of business.

The House met at three o'clock, the Speaker in the Chair.

Mr.Speaker read a communication from the Governor General's Secretary announcing that Her Excellency the Governor General of Canada would proceed to the Senate Chamber at 2.45 p.m. on Monday, April 3, 1989, and that as soon as the Governor General was advised that all was ready, Her Excellency would proceed to the Senate Chamber for the purpose of officially opening the second session of the Thirty-fourth Parliament of Canada.

* * *

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Maurizio Bevilacqua, for the electoral district of York North.

* * *

NEW MEMBER INTRODUCED

Mr. Mauricio Bevilacqua, Member for the electoral district of York North, introduced by the Right Hon. John N. Turner and the Hon. Herb Gray.

* * *

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Ms. Deborah Grey, for the electoral district of Beaver River.

NEW MEMBER INTRODUCED

Ms. Grey, Member for the electoral district of Beaver River, introduced by Mr. Harvey (Edmonton East) and Mr. Young (Gloucester).

* * *

SPEECH FROM THE THRONE

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, Her Excellency the Governor General desires the immediate attendance of this honourable House in the Chamber of the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned to the Commons Chamber:

* * *

• (1600)

[*English*]

OATHS OF OFFICE

Right Hon. Brian Mulroney (Prime Minister) moved for leave to introduce Bill C-1, respecting the administration of oaths of office.

Motion agreed to and Bill read the first time.

* * *

[*Translation*]

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when this House did attend Her Excellency the Governor General in the Senate Chamber, Her Excellency was pleased to make a speech to both Houses of Parliament. To prevent mistakes, I have obtained a copy, which is as follows:

> *Ladies and Gentlemen, Honourable Members of the Senate,*
>
> *Ladies and Gentlemen, Members of the House of Commons:*
>
> It is indeed a pleasure to greet you as you resume your duties.
>
> Today, at the outset of this Second Session of Canada's Thirty-fourth Parliament, my government will put forward the objectives and purposes which it will pursue during its second mandate.

My government believes these objectives to be fundamental:

First, to build a strong economy, encouraged by incentive and opportunity, an economy fully competitive among the world's trading nations and one in which all Canadians may share its challenges, risks and rewards;

Second, to preserve Canada's environment, to actively encourage increased public interest and involvement, and to give firm leadership and support to international efforts to overcome the environmental threat to our planet;

Third, to maintain a caring, compassionate society which will be able, through continuing economic prosperity, to meet its obligations and responsibilities to those who are less fortunate and in greatest need; and

Fourth, to foster a confident sense of Canada's cultural and national uniqueness in which Canadians may have a greater sense of their common values and common citizenship.

Finally, as my government renews its commitment to national unity, it believes the ratification of the Meech Lake Accord is indispensable to the further evolution of the Canadian constitution.

With Quebec at the table as a willing participant, future constitutional development—including the important issues of Senate reform, of aboriginal and linguistic rights, of roles and responsibilities in relation to fisheries, and of ways to strengthen the Charter of Rights and Freedoms—will become possible and will be a priority of the government.

A Strong Economy

Since 1984, federal spending on programs has grown less rapidly than inflation and at less than one-third the average rate of the previous four years. In the last four years, the annual government deficit has declined from over eight percent to less than five percent of gross domestic product. This represents a decline, in absolute terms, of close to ten billion dollars. Over the same period of time, Canadians have enjoyed extraordinarily strong income growth and job creation. Indeed, Canada's economic performance has outpaced virtually all of the world's major industrialized nations.

Today our challenge is to maintain that expansion in a world economic environment that is increasingly subject to inflationary pressures. To meet this challenge and to enjoy the benefits of continued growth and prosperity will require the utmost resolve of the government and the Canadian people.

My government will soon introduce a budget reflecting that resolve.

My ministers believe that continued progress in reducing the deficit is a vital necessity if Canada's economic well-being is to be secured. The legacy of past deficits is a massive debt. Annual interest payments on that debt now consume 31 cents of every dollar of government revenue. These payments are putting pressure on the Government's ability to meet other priorities. In fact, Canada is now borrowing money solely to pay the interest on previous borrowings. In order to reverse this trend, expenditures must be reduced and revenues must cover the cost of government programs.

My government's budget will have as its purpose the continuation of the nation's prosperity.

The strength of the Canadian economy can be ensured only if the government's means and its spending are in better balance. In turn, an expanding economy is the only way to maintain the social programs which Canadians cherish. Only by positive measures designed to reduce the burden of the debt can Canadians avoid a repetition of the excessive unemployment and inflation rates of the early 1980s.

My government is convinced that the Canadian people will endorse our efforts to control federal spending in order to maintain economic stability and continued growth.

Tax reform is also critical to sustain the prosperity that is so vitally necessary to ensure the high standards of services Canadians expect from their government. The current federal sales tax is inefficient and inequitable. It is costing Canadians jobs.

It will be replaced with a fairer sales tax that will ensure the Canadian economy is fully competitive and that will maintain a stable source of revenues to finance essential programs. Extensive consultations have been undertaken by my government both with the provinces and the private sector. These consultations will help ensure that sales tax reform is implemented in a fair and effective way.

Preparing Canada's Future

Canadians have made it evident that they are confident of their abilities to compete successfully in the international economy of a widening world.

As a mature and confident people, they know Canada's economy cannot prosper behind tariff walls and in restricted markets. They prefer to support the cause of liberalized trade throughout the world. My government is continuing the process of implementing the Free Trade Agreement with Canada's principal trading partner, the United States. Multilateral trade negotiations through the Uruguay round of GATT are also a high priority. As well, the federal government will continue to work with provincial governments in reducing interprovincial trade barriers which create distortions and inequities in Canada's economic development.

Outward-looking trade policies will be necessary for Canada if it is to be competitive in the world. Many industrialized countries—notably in Western Europe—are forming larger trading alliances so that their industries may benefit from access to larger markets. Business firms are creating world-scale plants as a means of realizing the opportunities which flow from liberalized trade.

With the development of cost-efficient manufacturing in the newly industrialized economies of Asia—and more competitive resource development in the Third World—major new factors are emerging in the international market place. No nation can remain indifferent to, or aloof from, these economic realities.

Canadians in every occupation want to ensure a secure future for themselves and their families in the face of these rapidly emerging economic forces. While they recognize the challenge which confronts them, Canadians also have a confident view of the opportunities which await them.

My government is providing programs to assist small and medium-sized business to develop export opportunities that are emerging as a result of the Free Trade Agreement. The federal government is also placing greater emphasis on the Asia/Pacific region as well as on Europe.

My government's purpose is to ensure that the benefits of liberalized trade and economic expansion are shared fairly by all Canadians.

The National Advisory Board on Science and Technology, composed of members from the scientific and technical communities from all parts of the country, has established a continuing dialogue between Canada's scientific leadership and the federal government. The Board has made a number of important policy recommendations. These include a network of centres of excellence and programs for the development of strategic technologies such as biotechnology, advanced industrial materials, and information technology. These recommendations are now being acted upon, and my government will provide direction and leadership in this vital area of Canada's national life.

The new federal approach to regional development is working. Decentralized decision making, through the regional agencies in Western Canada, Northern Ontario, and Atlantic Canada, has been instrumental in stimulating both entrepreneurial endeavor and business investment. Funding for regional development in Quebec and for these agencies will be continued, and government procurement policies will become increasingly responsive to regional considerations.

My government is concerned that our native peoples participate fully in Canada's economic development prospects and, to this end, will be extending its programs to assist native economic development.

The government will continue other economic initiatives of its first mandate, including:

- further privatization of those Crown corporations which no longer serve a public policy role; and

- passage of business framework legislation which will contribute to the smooth functioning of a modern economy, including the reform of laws dealing with bankruptcy and the regulation of financial institutions.

These initiatives will serve to build a modern, competitive, market-oriented economy.

Jobs for Canadians

Greater competition in our largest trading markets, a diminishing reliance on traditional industries, the rapid growth of the service sector and more sophisticated technology—all these indicate the need for a comprehensive human resource strategy for the 1990s.

If Canada is to meet these new standards and compete in this changing world situation, it must rely upon the skills and resourcefulness of the Canadian people. It must make full participants of disabled persons and visible minorities. It is imperative that literacy initiatives, education, training and retraining for Canada's work force, especially our youth, reflect the requirements of a modern economy.

Expanded labour-force programs to encourage continual upgrading of skills will be an important focus of my government's response to the report of the Advisory Council on Adjustment. Extensive discussions will be initiated with labour, industry, the provinces and other interested parties in order to encourage their participation in this vital process.

My government will propose amendments to the Unemployment Insurance Program in order to improve the Program's effectiveness and its fairness. These changes will direct more resources toward active training which, together with improved identification of marketable job skills, will promote greater opportunities and a more productive and rewarding experience in the work force.

At the same time, this program will continue to recognize the special circumstances in regions with historically high levels of unemployment.

It is also my government's intention to restructure unemployment insurance benefits in order to eliminate inconsistencies with Canada's Charter of Rights and Freedoms, to create greater incentives to employment, and to ensure that the resources available are used more effectively to generate greater labour market opportunities.

The increasing participation of women in the work force underlines the need for initiatives that promote equality of opportunity in Canada's economic life. The report of the Task Force on Barriers to the Employment and Promotion of Women in the Public Service will give my government—as the largest employer in the country—further opportunity to remove or reduce the difficulties that many women still find impede their working careers.

The Environmental Imperative

Canadians possess a unique sense of their relationship to the land, whose rich, vast diversity has shaped their values and experience.

Throughout the regions and across all linguistic and ethnic communities, there is a shared concern that we protect our environment for generations of future Canadians.

The world itself is facing an environmental challenge of unprecedented magnitude. Recognizing this, my government has strongly supported the Brundtland World Commission on Environment and Development and its call for "sustainable development"—which holds that the state of the world's environment, the strength of the global economy and the health of the earth's inhabitants are inextricably linked.

My government will participate in the establishment of a centre for the international promotion of sustainable development, to be located in Winnipeg.

As well, the National Round Table on the Environment and the Economy has been established to provide leadership and to form new partnerships of effort among Canadians, in order to deal more effectively with environmental concerns and their relationship to the challenges of economic growth. The government has also altered its operational practices and enlarged the responsibilities of the Minister of the Environment to ensure that environmental issues are fully considered in the course of its decision making.

These initiatives are part of a new environmental agenda which will also include the commitment to:

limit the environmental impact of toxic chemicals through the development of regulations for the Canadian Environmental Protection Act;

improve the quality of our water, through new legislation;

protect the environmental integrity of our arctic regions; and

improve the quality of the atmosphere through the negotiation of an acid rain accord with the United States, the implementation of the Ozone Protocol signed in Montréal in 1987, and the pursuit of further international efforts to control toxic emissions and to stimulate the evolution of international institutions in environmental matters.

In order to promote the restoration and enhancement of the environment, my government will proceed with initiatives to clean up the Great Lakes and St. Lawrence River and, together with the provinces, to further the process of cleaning up dangerous land sites.

Furthermore, my government will continue to encourage the expansion of Canada's environmental industry and, through sound scientific research, will continue to encourage the development and adoption of clean and efficient production processes. Technology, services, and environmentally friendly products are the key components of this industry. And the opportunities for domestic application and international export of equipment, knowledge and goods are considerable.

Individual Canadians will be encouraged to become more aware of environmental matters with the establishment of the Environmental Partners Fund. This fund will assist them in actively enhancing their environment by initiatives promoting the production and consumption of environmentally sound products, and with programs to encourage recycling.

Legislation will also be introduced to ensure an appropriate environmental assessment review process.

A Caring Nation

Canada's social policies touch the lives of all Canadians. These programs and services give shape and substance to the special quality of Canadian life. And they reflect the distinctive values that give to the Canadian people their sense of uniqueness.

In responding to future challenges and needs, Canada's social goals and programs will continue to be determined in Canada and by Canadians, in conformity and harmony with values they have historically nurtured.

My government believes fundamentally in those social benefits which support the family and the elderly, while recognizing the need to direct more assistance toward those with low incomes.

The government remains committed to a national child care program.

My government will continue its initiatives to reduce violence in the family and the abuse of children. It will renew its fight against AIDS and drug abuse. It will encourage research into diseases associated with aging, so destructive of human dignity and family life.

My government will introduce further legislation to reform Canada's legal system and sentencing practices. This will require a review of the current Young Offenders Act in order to ensure that it better protects the rights of society, while advancing the rehabilitation of young offenders.

My government is considering the implications of the latest jurisprudence of the Supreme Court of Canada on the subject of abortion, so as to carefully weigh the appropriate course of action in relation to this sensitive matter.

Advances in medical and biological science have created in Canada, as in other countries, a variety of new reproductive technologies: artificial insemination, in vitro fertilization, embryo transfer and surrogate parenting. There is concern that these scientific advances will outpace our ability to deal with their moral, ethical, legal and social implications. My government will therefore mandate a royal commission to inquire into the implications of new reproductive technologies for Canadian society.

Canada's International Role

Canadians are, by vocation, world citizens. They helped form the United Nations, and are among its most creative and consistent supporters. Forty years ago this week, Canada played a pivotal role in the creation of the North Atlantic Treaty Organization. Canada retains that active commitment to freedom and to Europe. Canada is active in the Commonwealth, la Francophonie, the Economic Summit, GATT, and in other initiatives to improve the standards and security of the international community.

Canadians prize freedom and tolerance at home, and pursue those values in the world.

My government will continue to take a strong stand in defence of human rights. It will continue to be among the leaders in peacekeeping, in international development, in strengthening international organizations, and in relieving the devastation of famine or of natural disaster. It will apply firmly and fairly the new legislation on refugees, and will expand overall immigration levels.

We are a northern nation, proud of our arctic frontier, and determined to work with our northern allies and neighbours to develop a new co-operative ethic in the Arctic.

Canada is the immediate neighbour of both superpowers, and my government will apply Canada's influence to increase understanding and co-operation between East and West. The government will continue its support of progress toward the reduction and control of arms, and will continue to help resolve regional disputes.

Modern economic, social and environmental realities draw the world together dramatically. In these new circumstances, Canada has special contributions to make, and legitimate interests to advance and defend.

Canada's efficient agricultural producers cannot compete fairly in a world in which trade-distorting subsidies wreak havoc with market disciplines, while bringing undue pressure to bear on the nation's treasury.

Canadians who fish for a living find their catches reduced by predatory over-fishing outside the 200-mile limit, where Canadian regulations cannot be enforced. My government will intensify its international efforts to put an end to these practices.

Canada's National Identity

Canadians define who they are—as a people—by what they have done.

Today, Canada stands as one of the most dynamic, peaceful and promising nations in the world. This has been achieved by a people who have placed the highest priority on the need for tolerance, compassion and fairness. Canadian society cares about the quality of its national life, its health, education, human welfare and environment. Canadian values, formed and developed by Canadians, have produced a unique national identity of which Canadians are justifiably proud.

This has been the exceptional achievement of little more than a century of history. The people of Canada, therefore, have cause for

celebration. My government has invited the participation of all the provinces and territories in planning Canada's 125th birthday in 1992.

The same year will mark the 350th anniversary of the founding of Montréal.

Canadians are justifiably proud of their cultural industries—distinctive, creative and increasingly recognized worldwide. My government will continue its commitment to the growth and development of Canada's cultural life, to this nation's linguistic duality, and to its rich and diverse multicultural heritage. It will improve the distribution of Canada's cultural products in broadcasting, film and video. It will propose legislation to further improve the laws on copyright.

My government will introduce a revitalized citizenship act. Legislation will be introduced to establish a Canadian race relations foundation. By this initiative, my government intends to emphasize the need for all Canadians to support and encourage racial harmony.

The state and condition of Canada's political institutions, which represent the bulwark of our democracy, require constant interest and concern. My government will build upon the recent achievements in the field of parliamentary reform. You will be asked to legislate new conflict-of-interest standards for parliamentarians.

My government will appoint a commission of inquiry to make recommendations for needed changes and reforms to the electoral laws.

Conclusion

During the remaining years leading to the 21st century, challenge and opportunity alike will become a familiar part of the daily life of the people of Canada. The challenge will be to the nation's strength of purpose, to its will to persist and to prosper, to its resolve to be worthy of its special heritage and history, and to its determination to promote economic development in a manner consistent with a safe and wholesome environment.

As a strong, skilled and confident people, Canadians will find a greater place in world commerce and trade, in technological innovation, and in scientific development and discovery. The first task for my ministers will be to help prepare the way for this viable and dynamic Canada.

My government's priorities are firm, and its determination to pursue the plan started four years ago is unflinching. My government's task is to be ready for the challenges ahead as Canadians move toward a new century.

Ladies and Gentlemen, Honourable Members of the Senate,

Ladies and Gentlemen, Members of the House of Commons:

May Divine Providence guide your deliberations.

The Right Hon. Brian Mulroney (Prime Minister) moved:

That the speech of Her Excellency, delivered this day from the Throne to both Houses of Parliament, be taken into consideration at the next sitting of the House.

Motion agreed to.

* * *

[*English*]

HOUSE OF COMMOMS

BOARD OF INTERNAL ECONOMY

Mr. Speaker: I have the honour to inform the House that the Hon. Robert R. de Cotret, the Hon. Douglas Grinslade Lewis, the Hon. Herb Gray, Jean-Robert Gauthier, Nelson Riis, Jim Hawkes and Bill Kempling have been appointed as members of the Board of Internal Economy for the purposes and under the provisions of Chapter 42, First Supplement of the Revised Statutes of Canada, 1985, entituled: an Act to amend the Parliament of Canada Act.

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

That Steve Paproski, Esq., Member for the Electoral District of Edmonton North, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEE OF THE WHOLE

The Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

That Mrs. Andrée Champagne, Member for the electoral district of Saint-Hyacinthe—Bagot, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

* * *

BUSINESS OF SUPPLY

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I move, in accordance with Standing Order 81,

That the House at its next sitting consider the business of supply.

Motion agreed to.

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move that the House do now adjourn.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Pursuant to Standing Order 24(1), this House stands adjourned until tomorrow at eleven o'clock.

On the motion of Mr. Lewis, the House adjourned at 4.09 p.m.

HOUSE OF COMMONS

Tuesday, April 4, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

IMPLEMENTATION OF FINAL WESTERN ARCTIC INUVIALUIT AGREEMENT

TABLING OF ANNUAL REPORT FOR 1987-1988

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table copies in both official languages of the annual report for 1987-88 on the implementation of the final Western Arctic Inuvialuit Agreement.

* * *

REPORT PREPARED BY ADVISORY COUNCIL ON ADJUSTMENT

TABLING OF REPORT

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Government House Leader): Mr. Speaker, on behalf of my colleague, the Minister of Employment and Immigration (Mrs. McDougall), I have the pleasure to present to you, in both official languages, the report prepared by the Advisory Council on Adjustment.

* * *

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

FORTIETH ANNIVERSARY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise today to pay tribute to the fortieth anniversary of the North Atlantic Treaty Organization which has been a cornerstone of Canadian foreign policy for successive Canadian governments. What we celebrate is not only 40 years of uninterrupted peace in Europe but also the values which brought us together then and which still unite us today.

When he signed the treaty on behalf of Canada, the Right Honourable Lester Pearson stated:

> This treaty, though born out of fear and frustration, must, however, lead to positive social, economic and political achievements which will extend beyond the time of emergency which gave it birth, or the geographic area which it now includes.

[*Translation*]

We must keep in mind the situation prevailing at that time: fully armed Soviet troops were still stationed in Europe; the West Berlin blockade was on; a Communist takeover had just crushed Czechoslovakia's nascent democracy; and the nations of Western Europe, barely through with the war, were openly threatened by a similar fate. There is a striking contrast with the prosperous times we are experiencing today and NATO has been and still is an essential instrument of such progress.

The unity and determination of the Alliance have often been put to the test: recurrent troubles in Eastern Europe, the uprising in Hungary, the Suez Canal crisis, the crushing of Prague's springtime demonstrations, detente in the Seventies, Afghanistan and the double decision. In every instance NATO came through stronger and more relevant.

[*English*]

Today NATO provides for the common security of over 600 million people in 16 nations on both sides of the Atlantic. The modern era is marked by conflict, yet Europe, the region with the highest concentration of sophisticated weaponry in the world, is enjoying the longest sustained period of peace and stability since the height of the Holy Roman Empire. That peace was made possible through NATO's persistent commitment to pursue complementary goals: first, to maintain adequate defences to deter aggression; second, to control and limit armaments through carefully negotiated and verifiable agreements; and third, to constantly promote dialogue with the countries of eastern Europe.

Has the Alliance met the test that Lester Person set for it 40 years ago? Has it led to positive social, economic and political achievements? Is it more than just a military alliance? Clearly the answer is yes to all questions.

It was through NATO in 1972 that we and our Allies set down our objectives for the conference on security and co-operation in Europe. Through that process, we have secured from the Soviet Union, and its East European Allies, real commitments in human rights, economic co-operation and military security. Today, in the East, there is greater respect for the rights of individuals, greater freedom to travel to visit friends or relatives and greater freedom to worship. That progress would not have been made without the tenacity with which the Allies pressed the East to extend to their publics the privileges and rights which we take for granted.

We are at an historic juncture now. The two superpowers have agreed to eliminate an entire class of nuclear weapons. Significant progress has been made on a treaty to reduce by approximately 50 per cent the size of their strategic nuclear arsenals. A new sense of purpose has been injected into their efforts to control and ultimately ban chemical weapons. And perhaps most important of all, new negotiations to reduce conventional forces in Europe are under way in Vienna. With imagination and good will on both sides we have every reason for optimism. President Gorbachev is claiming credit for much of this success and certainly he deserves a good deal of credit. After all, he is redefining the Soviet Union. However, it is important to remember that President Gorbachev has been responding to ideas and proposals originally made by the West. He has been responding to the unity and to the fidelity to western values which are at the heart of the success of the North Atlantic Alliance.

• (1110)

Every Canadian of good will celebrates the changes that are appearing in the Soviet Union and in parts of eastern Europe. They represent the kind of genuine progress toward the social, economic and political achievement that Mr. Pearson described. The challenge is for NATO to continue to bring down the tensions between East and West and to continue to build up confidence and co-operation. That will require the same unity and determination which have allowed the NATO alliance to contribute so strongly to the progress so far.

Some have suggested that Canada should step aside from the responsibilities of membership in this western alliance. Had we stepped aside before, NATO would not have been able to contribute as constructively to the progress the world sees now. Canada has many means to influence peace in the world. One of those, which has worked for 40 years, and is essential to continued progress in East-West relations, is the NATO alliance whose anniversary we mark today. NATO has been good for Europe, good for North America and good for Canada. This Government is committed to ensuring that Canada continues to play a full and leading role in NATO in helping to shape a new era in East-West relations.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I stand in this House this morning on this very special occasion, the fortieth anniversary of NATO, with a deep sense of humility and pride; humility in the wake of the great architects of NATO, the men who had the vision to put it all together, and Canada had a great part in that; and a sense of pride in the reflection that this forum of legislative debate can take the time out to mark an organization that represents human liberty in the purest form yet devised.

I do not stand here as an advocate for any partisan cause for the issues to which reference has just been made by the Right Hon. Member for Yellowhead (Mr. Clark). These issues, Mr. Speaker, are fundamental and reach quite beyond the realm of partisan considerations. I hear in this House this morning on the fortieth anniversary of NATO the hopes, the aspirations and the faiths of over 600 million people in 16 nations on both sides of the Atlantic Ocean.

Unhappily, Mr. Speaker, I possess neither the eloquence of diction nor the brilliance of the metaphor to suitably convey all that NATO stands for, what it means now and what it has meant over the last 40 years. In the past, military alliances, balances of power, leagues of nations all in turn failed, leaving the only path to be the crucible of war. The utter destruction of war now blocks out this alternative. To preserve the peace, we must now synchronize our matchless advances in science, technology and all the other material developments of our time and combine them with a firm resolve of our human character. It must be of the spirit if we are to save the flesh.

As a country, Canada is the second largest in the world, but we are not, Mr. Speaker, as we are all aware, second largest in resources, in particular military resources. Canada can neither independently guarantee

our defence nor isolate itself from events key to our frontier. Our security requires a stable and peaceful international order.

Mr. Speaker and colleagues, our best defence in Canada continues to be collective defence.

As a recently uniformed member of the Canadian Armed Forces, I had the distinct privilege to serve NATO at work for over 30 years. I participated in major exercises involving over 1,600 ships and aircraft and hundreds and thousands of men and women from NATO nations, working proudly, diligently and effectively to preserve the integrity of the alliance and to preserve the peace. On this special occasion, Mr. Speaker, I beg the indulgence of the House to pay tribute to those men and women who have achieved this and in particular the men and women of Canada in uniform and civilians who make it work and who continue to "meet the test".

The preservation of peace over the last 30 years continues. Negotiations over arms control augur well for the future. We now have the opportunity to help put an end to the cold war and to continue to reduce that iron curtain which separates peoples and cultures. The time is now upon us. Let it now be said that the members of the North Atlantic Treaty Organization did not step aside. Let it now be said that we in Canada seized the opportunity to the advantage at this hour, and let it be said that Canada did its part. I can put it in no better words than a man who stood in this House, the Right Hon. Pierre Elliott Trudeau, who said: "Did its part to help lift the shadow of war."

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to begin by joining with my colleague in the Liberal Party in paying tribute to the men and women who over the years have done their duty as they saw it and are doing their duty as they see it today in Canada's contribution to NATO. It is important that we recognize Canadians who have been involved in that way for the work they have done. However, I also think that the fortieth anniversary of the North Atlantic Treaty Organization is an opportunity for us here in the House of Commons and in the country to reflect on what the Minister has rightly described as a cornerstone of successive Canadian governments foreign policy, an opportunity for us to reflect on NATO's past, on its present and its future. I will try to do this in the brief time allotted me to respond to the Minister's statement.

The Minister began his statement with talk about shared values and ended his statement with a remark about those who have been critical of Canada's NATO role. I am sorry that he used the rhetoric of side-stepping responsibilities, because surely the debate within Canada has been about what is Canada's responsibility. It is not a question of someone wanting to sidestep responsibility and others wanting to live up to it, but of what indeed is the true responsibility of Canada in its foreign policy. Nevertheless, I ask the Minister to reflect on the extent to which the debate about NATO in this country, precipitated in large part by the NDP, has occurred precisely because some of the values that Alliance members have been asked to share over the years have been arguably ambiguous,in other cases hypocritical, and in some cases morally questionable.

• (1120)

In other cases they have been morally questionable.

The willingness of NATO, for instance, through its doctrine of flexible response, to be the first to use nuclear weapons, to be willing to destroy the world for the sake of democracy while tolerating at times military dictatorships within its own ranks, certainly does not and has not advanced its moral credibility with a great many Canadians. Its failure to live up to the so-called Canada clause which the Minister quoted and which he wrongly assesses NATO as having lived up to, that clause by which NATO was to be more than just a military alliance, has also bothered a great many Canadians.

For many more, the expectation on the part of our American partners in that alliance that to be allied in Europe was to be allied everywhere, wherever and however Americans chose to defend or advance their interests, regardless of the circumstances, was and continues to be a problem. In this respect, I find a strange omission in the Minister's statement. A more insightful rendering of the alliance's history and those things which have tested it would have included Viet Nam as well as Afghanistan. Indeed, it was in 1969, at the height of the Viet Nam war, that the NDP first passed the resolution about Canadian withdrawal from NATO that the Minister, in other more partisan contexts, loves to refer to.

I also find the Minister's use of the notion of common security to be disturbing because common security is a concept developed by the Palme Commission which is to be seen as different from and opposed to the notion of collective security which is what NATO is and what the Warsaw Pact is. The notion of common security is a

notion which transcends this adversarial collective securities which we have had since the Second World War.

I ask the Minister to have the intellectual honesty not to co-opt language in the way he has done in this statement and not to use the notion of common security when what he really means is collective security. At least my Liberal friend was more honest in that respect. He spoke of collective securities.

The Minister refers to the INF agreement on intermediate nuclear forces and admits that this was done by the superpowers in the text of his own statement. That is precisely the point. What progress has been made in arms control has been made between the superpowers with NATO being a spectator, with NATO being simply a kind of a lobby for arms build-up rather than arms control and the superpowers from time to time coming to their senses, and we hope that they will come to their senses more often. To suggest that this has been the result of NATO, I think, is at least debatable.

The fact is that with respect to NATO, Canada has been and continues to be far too much a spectator to world events. I have gone to NATO parliamentary meetings. I do not know how many times I have heard NATO referred to as an alliance between Europe and the United States with hardly any recognition that Canada belongs to the alliance at all. It is no surprise because Canada chooses, as this Government does, to be a spectator to the debates that are going on in NATO.

One of those debates going on right now is the debate about modernization of nuclear weapons. Have we heard a peep out of this Government pro or con with respect to that debate that is very lively right now in Europe with people contending with each other about the pros and cons of modernization of nuclear weapons? Instead, we will wait until the decision is made somewhere else. Then Canada will blithely trail along.

That is part of the problem. The Minister says he wants Canada to play a leading role. Well, play a leading role. We are in NATO, do something about it, use it to advance the things that you say you want to advance and perhaps you would be better off in the eyes of many Canadians.

The notion of NATO and the Warsaw Pact, I think all of us hope, is a notion that belongs more to history than to the future. We hope that events in the Soviet Union and events in the West are leading to a time when the disengagement of NATO and the Warsaw Pact, when the elimination of this Manichaean world of two alliances contending with each other for the possible destruction of the world, will be a thing of the past.

Canada does have a role to play. It is a role this Government is not playing. If it should choose to live up to that role, it would receive much better comment from this corner of the House.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find that there would be unanimous consent to the putting of the motion I am about to read and voting immediately. Mr. Speaker, I would move:

That supply proceedings for the 1989 calendar year be subject to the following provisions:

That, when the House reaches Orders of the Day on Thursday, May 4, the House shall debate an Opposition motion, notice of which shall have been given the previous day, and no later than 5:45 o'clock p.m. on May 4, the Speaker shall interrupt debate and put, forthwith and successively, without amendment or debate, every question necessary to dispose of the said motion; and then the Speaker shall put forthwith, and successively, without amendment or debate, every question that may be necessary to dispose of any motion relating to interim supply and for the passing at all stages of the bill based thereon, following which the Speaker shall adjourn the House; and

That notwithstanding the relevant provision of Standing Order 81,

A) There be 12 days allotted to the Opposition before Friday, June 16, for debate on Opposition motions, 6 of such motions to be votable, and a further 13 allotted days in the period following Labour Day and ending on December 10, 1989 (4 in September, 4 in October, 3 in November and 2 in December) with 6 of these allotted days for debate of votable Opposition motions;

B) Main Estimates for 1989-90 may be tabled and referred to the appropriate committees on any day but no later than Monday, May 1;

C) Each committee to which such Main Estimates have been referred shall report them, or shall be deemed to have reported them, no later than Wednesday, September 27;

D) (a) Not later than the third sitting day prior to September 27, the Leader of the Opposition may give notice during the time specified in Standing Order 54 of a motion to extend consideration of the Main Estimates of a named department or agency and the said motion shall be deemed adopted when called on "Motions" on September 26;

(b) During the sitting of October 4, not later than six o'clock p.m., the said committee shall report or shall deemed to have reported the Main Estimates for the said department or agency; and

(c) if the committee shall make a report, the chairman or a member of the committee acting for the chairman may so indicate, on a point of order, prior to the hour indicated in paragraph (b), and the House shall immediately revert to "Presenting Reports to Committees" for the purpose of receiving the said report;

(E) On Thursday, October 5, 1989, the House shall consider any opposition motion and any motion or motions to concur in the Main Estimates, notice of which shall have been given provided that, unless previously disposed, of at no later than 5.45 o'clock p.m., the Speaker shall interrupt any proceedings then before the House and shall first put forthwith and successively, without further debate or amendment every question necessary to dispose of any business relating to the Main Estimates for the current fiscal year or for any supplementary Estimates, the restorational reinstatement of any item in the Main or Supplementary Estimates or any opposed item in the Main or Supplementary Estimates and, notwithstanding Standing Order 71, for the passage at all stages of any Bill or Bills based on the Main or Supplementary Estimates, following which the Speaker shall adjourn the House. brev

Hon. Herb Gray (Windsor West): Mr. Speaker, this motion reflects the result of extensive discussions among the House Leaders. The purpose of it is to give to the Members of the House the time to which they would ordinarily be entitled to consider the Main Estimates and of which they would be deprived because of the date on which the House has been called back. It also restores to Members the full number of opposition days and gets us back in the customary cycle of consideration of Supply and Estimates that would otherwise have been pushed aside because of the recall of the House at this point in time. Because of the purposes of this motion we of the Official Opposition are ready to give our agreement to it.

• (1130)

Mr. Speaker: I thank the Hon. Member for Windsor West.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to concur with what the House Leader for the Official Opposition has said. We have had extensive negotiations.

I want to say that these discussions were necessary because of a number of legitimate timetabling problems which the Government was facing. There was a sense of negotiation where the Government said that if we would agree to some changes, the Government would be prepared to provide some opportunities that may not have existed for both opposition parties in providing us with a number of opposition days.

In the spirit of co-operation I hope this is an indication of things to come, quite different from the last time we were all together.

We also concur with the special order, Mr. Speaker.

Mr. Speaker: Does the Hon. Minister have the consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the pleasure to present four petitions from residents in my riding and the National Capital Region.

[*English*]

It deals with the proposed sales tax. The petitioners would like to ask the House to humbly consider their point of view that a sales tax on music lessons will hurt the average family for whom music education will become too costly. With sales tax on music lessons, Canadian children will suffer, talent will go undeveloped and the future of Canadian music both nationally and internationally will be jeopardized. Music educators are active participants in education in every province in Canada. Their knowledge and expertise provide students with the qualifications enabling them to enter our universities in faculties of music.

Wherefore, the undersigned, your petitioners humbly pray and call upon Parliament to consider music studies as an educational process and therefore exempt from the proposed sales tax.

[*Translation*]

REQUEST FOR PAYMENT OF FAMILY ALLOWANCE AT BEGINNING OF SEPTEMBER

Mr. Guy St-Julien (Abitibi): Mr. Speaker, it is an honour for me to table in this House a petition signed by residents of Canada and Abitibi who ask the federal Government to pay family allowances at the beginning of September every year in time for the reopening of schools in Canada. This is to help families that have one or more children in school.

S. O. 52

[*English*]

Mr. Speaker: I should advise the House that I have received several applications for emergency debates. I will hear first the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

* * *

MOTIONS TO ADJOURN UNDER S. O. 52

AVIATION SAFETY IN CANADA

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on March 17 I wrote to you requesting two things. The first was an immediate recall of Parliament which you declined, according to the rules within which you had to work. Second, I indicated that at the first opportunity I would be rising under the provisions of Standing Order 52 to seek leave to adjourn the House for the purpose of discussing aviation safety in Canada.

I think it was clear at that time, and since March 17 as well, that there is great concern over aviation safety in this country. A number of circumstances, including the very unfortunate crash at Dryden, Ontario, have left the public of Canada uncertain about safety in the air.

I urge you, Sir, to set aside an appropriate time so that we can have a full and helpful debate in this House.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, perhaps you could take my comments into consideration as well for the application that I have made for an emergency debate in an effort to save the time of the House.

I believe there is a crisis in the area of air safety at the present time in our country. There was a most tragic air crash in Canada on December 12, 1985, in Gander, Newfoundland. Since then the Canadian Aviation Safety Board has conducted an investigation into this, the worst air disaster in the history of our country. This particular inquiry has been divisive, Mr. Speaker.

[*Translation*]

Mr. Speaker, I have no intention of questioning the competence of the Aviation Safety Board investigators, but I must still point out that there was a great deal of controversy. . .

[*English*]

Over recent months the congestion at airports, the shortage of air traffic controllers, the judicial inquiry into the Gander air crash, and the judge acting as a consultant to review the Gander air crash, warrant two things I respectively submit. First, that you consider granting us an emergency debate. Second, I believe we should be hearing as well the resignation of the Minister of Transport (Mr. Bouchard).

Mr. Speaker: The Hon. Members have brought a matter to the attention of the Chair which is, of course, an important one. I know that they would both understand that I would want to reserve, at least for a little while, and consider the applications that have been made.

I have also an application from the Hon. Member for Lambton—Middlesex (Mr. Ferguson).

CANADIAN WHEAT BOARD—JURISDICTION RESPECTING OATS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, pursuant to Standing Order 52, I ask leave to propose a motion to adjourn the House for the purpose of a debate on a specific and important matter requiring urgent consideration.

In view of the fact that the Minister for Grains and Oilseeds (Mr. Mayer) has deprived Parliament of our traditional right to debate and has not consulted with Canadian farmers before removing oats from the jurisdiction of the Canadian Wheat Board, we respectfully request that you allow an emergency debate in the House of Commons on this issue.

It is of the utmost importance that the Government of Canada stand by and support our Canadian producers and their marketing systems during this prolonged period of economic instability, and particularly at a time when oats have gained recognition as a human health food. To have removed this product from the jurisdiction of the most sophisticated marketing system in the world without consultation—

Mr. Speaker: I am sure the Hon. Member will understand that the custom is to make the point to the Speaker but not enter into a debate. There is fairness in this. Obviously those on the other side of the particular argument will then feel that they have not had a chance to put their argument to the Speaker. These applications for emergency debates are not treated that way. The Chair hears one side and one side only. It is in the form and legal terms of an ex parte application. I know the Hon. Member will understand that. I have the Hon. Member's point and I will again reserve and consider it.

• (1140)

The Hon. Member for Skeena on a similar application, but not on the same subject.

VALDEZ OIL SPILL

Mr. Jim Fulton (Skeena): Mr. Speaker, I also rise pursuant to Standing Order 52 in relation to the Alaskan oil spill.

Two weeks ago the *Exxon Valdez* spilled 270,000 barrels of oil into Prince William Sound and no efforts were made to seriously contain the spill by Exxon or by the U.S. Government. It now covers some 2,700 hundred square kilometres and 1,200 kilometres of coastline. It is the largest spill in North American history and the twelfth largest in world history. It is a highly persistent and toxic oil, four times as hard to disperse as Alberta crude. Canadian officials have erroneously continued to state that the spill is 1,000 kilometres from Canadian territory. The oil is in fact now within striking distance of the Canadian transboundary rivers the Stikine, the Taku, and the Alsek Tatsenshini.

Dr. Stephen Pond, an oceanographer at UBC has confirmed that the spill could enter Canadian waters.

The emergency debate is required for the following reasons.

First, Canadian resources are now being impacted: herring, salmon of Canadian origin, and halibut.

Second, Canada's state of preparedness is dismal, as was proven with the chaotic response to the Vancouver Island spill.

Third, we have no scientific team on site evaluating the present impact on Canadian resources, and particularly on transboundary salmon stocks.

Fourth, we have had no movement of spill containment or clean-up equipment to the Dixon Entrance area. Fifth, the water column and biology of Dixon Entrance must be monitored now before the spill gets into there.

Sixth, as was proven by the Grace Harbour spill on December 22, the "Don't worry, be happy" speculation of the Coast Guard, both Canadian and U.S., has proven to be defective; 870 thousands litres ended up on our shores as a result of the December spill—

Mr. Speaker: Again I take the comments of the Hon. for Skeena very seriously indeed. I do not think there is any necessity to get into argument. The facts speak for themselves. I will again give this very careful consideration and report back to the House as soon as I can.

I should advise the House, and the public who are watching that, probably as a consequence of the long adjournment, there are a number of applications today that are taking up the time of the House, but they are all important ones.

I now want to advise Hon. Members that I have an application on a question of privilege from The Hon. Member for Prince Albert—Churchill River and I will hear him now.

* * *

PRIVILEGE

CANADIAN CROP DROUGHT ASSISTANCE

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I rise on a question of privilege. Having sent you notice of my intention to raise this question, I would like to place before you my argument as to why I believe that my privileges as a Member have been breached. I am raising this matter at the earliest possible opportunity since I did not become fully aware of this breach until I received my personal Canadian Crop Drought Assistance form, which application form I received on March 3. That was 71 days after the Minister of Agriculture (Mr. Mazankowski) told me personally in this House, and I quote from *Hansard* of December 22, 1988 at page 622:

> The forms are close to being ready for being sent out to the producers. We hope that they will be out in the next week or 10 days. Everything is proceeding as it should, consistent with the program that was announced.

Seventy-one days later I received my form. My intention though is not to draw from this evidence the conclusion that the Minister deliberately misled me, but rather to suggest that his remarks impeded my abilities as a Member of this Parliament to properly serve my constituents.

Some Hon. Members: Oh, oh!

Mr. Speaker: I hesitate very much to interrupt the Hon. Member because the matter he raises is, certainly in the mind of the Hon. Member and probably in the minds of some of his constituents and others, a grievance.

I am having some difficulty being satisfied that this is even getting anywhere close to a question of privilege, and I think that perhaps the sense of the Speaker is also reflected among other members in the Chamber. However, I will consider the points made by the Hon. Member and I will report back to him shortly. The Hon. Member for Port Moody—Coquitlam.

NON-SMOKER'S HEALTH ACT

Mr. Ian Waddell(Port Moody—Coquitlam): Mr. Speaker, I know you have some difficulty with the name, it being a new riding.

Mr. Speaker: I want to assure the Hon. Member that I have no difficulty with his name, and I have no difficulty with the name of his former riding, which was adjacent to my own, and I will have no further difficulty with his new riding.

Mr. Waddell: Thank you, Mr. Speaker. I too rise on a point of privilege. On May 31, 1988 this House passed Bill C-204, the Non-Smokers' Health Act. It is now Chapter 21 of the Revised Statutes of Canada 1988. It was a Private Members' Bill, initiative and Herculean task undertaken by the former Member for Broadview—Greenwood, Miss Lynn McDonald. The Bill passed on a free vote in this House. It was the first time, in my experience, where the Cabinet voted one way and we voted the other way and we won. It was unique. Royal Assent was given to the Bill on June 28.

The Governor in Council has failed to proclaim that Bill, although other Bills have been proclaimed. I have received letters from my constituents, including medical officers of health, asking why the Government has not proclaimed a Bill that has been passed by the House of Commons—

Mr. Speaker: The Hon. Member very properly brings to the attention of the House certain complaints that he has with respect to this particular Bill and perhaps complaints that members of the public have. However, there is another and more appropriate occasion for the Hon. Member to raise this matter, and I am sure, given the great skill for which he is known in this place, he will find ample opportunity to do so. I must say at the moment it is not in the view of the Chair a question of privilege, although it is of course a question of debate and and important question.

POINTS OF ORDER

ORDER IN COUNCIL APPOINTMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise a point of order. It is a brief point of order. I was intending to rise on a point of privilege, but I think more appropriately it is a point of order. I am referring to the Government's requirement to table with the House certified copies of Order in Council appointments within five sitting days of their publication in the *Canada Gazette.*

I am referring to the last session of this Parliament, and I realize it is doubtful whether it is in fact a point of order. However, I am primarily using it to flag the issue. The Government failed to live up to what is required of it in terms of tabling these Orders in Council appointments so that they can be referred to the appropriate Standing Committee in order that Members of Parliament can have a look at these and decide if they are appropriate. We were prohibited from doing that, Mr. Speaker. All Members present during the last session of this Parliament simply wish to call this error to the attention of the Government to ensure that it does not happen in this session.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): I am pleased to reply to this particular point of order. In doing so I would point out to my hon. friend that had those Orders in Council been tabled in the last session they would, under the Standing Order, have had to have been considered within a period of 30 days. Since committees were not struck, and there was the Christmas recess, there would have been no possibility of those Orders in Council being reviewed by the appropriate Standing Committees. What my hon. friend suggests we should have done would have been a subversion of the intent of the Standing Order which was to give the committees the opportunity to review the appointments. Therefore we will be tabling tomorrow the 1988 Order in Council appointments. I believe that they are already with the Table and that they just require the formal letter. The day after we will table the 1989 Orders in Council that we have ready in order to give the Standing Committees an opportunity to review those appointments.

• (1150)

In other words, Sir, had we followed my friends's suggestion, there would have been no opportunity to review the appointments. We felt we were honour bound to stand by the intent of the Standing Order. That is why we did it this way.

Mr. Riis: Mr. Speaker, I do not think it is the Government's right to pre-judge in advance when Parliament will be sitting. The Standing Orders make it clear that the Order in Council appointments, once they appear in the *Canada Gazette*, must be tabled—not could be, may be, but must be tabled—within five days. All I am saying is that that was not done. The Standing Orders require that to be done. I am pleased that the Minister said that they are following the appropriate course of action now.

While I have the floor, I might simply add as well that one of the problems we face is that the Orders in Council appear in the *Gazette* often months after the appointments have already been made and that the people are involved in their duties. That makes the evaluation of the Order in Council appointment a little after the fact.

I simply encourage the Government to have these Order in Council appointments appear in the *Canada Gazette* as early as possible.

Mr. Speaker: I thank the Hon. Member for Kamloops (Mr. Riis) and the Hon. Minister of Justice (Mr. Lewis) for the exchange. I am sure that Members on the government side will have taken into account the representations of the Hon. Member for Kamloops. I appreciate both interventions.

The Hon. Member for Port Moody—Coquitlam has a point of order. I will hear him.

SUPREME COURT OF CANADA APPOINTMENT

Mr. Ian Waddell (Port Moody—Coquitlam): This week the Government appointed the Chief Justice of the Supreme Court of British Columbia, the Hon. Beverly McLachlan, to the Supreme Court of Canada.

Some Hon. Members: Hear, hear!

Mr. Waddell: We now have three women on the Supreme Court of Canada, including this outstanding woman jurist from British Columbia. I think all the Members of the House will join with me in applauding this appointment.

Some Hon. Members: Hear, hear!

Mr. Speaker: I have to make it clear to the Hon. Member that I do not think that that was a point of order. The comment has been made. I think there is probably a general feeling in the Chamber that the appointment does credit to the court and to the country. However, I would remind Hon. Members that there is another place, that is, Statements by Members, which is later on in the day and which is perhaps a more appropriate place to make such comments.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. LEE RICHARDSON AND SECONDED BY MRS. MARIE GIBEAU

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I would like to pay my respects to the Governor General and to congratulate you, Mr. Speaker, on your re-election.

As one who has long been a student of this House and of our parliamentary traditions, it is with great humility, pride and respect that I rise to move the Address in Reply to the Speech from the Throne. It is a great honour and privilege for me and for the people of Calgary Southeast. I would like to thank the Prime Minister (Mr. Mulroney) and his Cabinet for recognizing a western Member in this way and for the efforts of this Government in the past four and one-half years to address the aspirations and expectations of western Canadians.

I was introduced into this House what seems like a long time ago when I first came from Calgary to serve as executive assistant to former Prime Minister John Diefenbaker. My admiration for this institution grew under his tutelage. Although I had read much of this place I had seen little, except in photographs and on television. Other Members may have shared that sense of awe in arriving here for the first time. I remember once rushing out of my office to meet Mr. Diefenbaker and running smack into Otto Lang, Jean Marchand and Mitchell Sharp. I had seen them on TV and I was shocked. Excusing myself I continued down the hallway and thought: "Gosh, they're short". I had from afar an image of this place as being larger than life, and it is really not. It is a place where ordinary people try to represent their constituency, their region.

I return to Ottawa almost 20 years later as a Member of Parliament to represent my constituency, my region, my country. I am a westerner.

I do not want to be seen today as simply speaking for the West. I believe that in moving this address I am not only speaking on behalf of this House but I am speaking as much for one Canadian as another. I want to think that all Members without exception see themselves as standing for one Canada and speaking for every Canadian in every riding of this nation.

It is quite wonderful to be a new Member. I have no callous cynicisms and fondly hope that they may never develop. I listened yesterday to the Speech from the Throne with growing excitement. The people of Calgary Southeast did not send me here for a visit. They sent me down here to listen for them, to hear for them, to report to them and, premised in large measure on what I hear, to speak for them.

I am well aware that Edmond Burke insisted that Parliament is not a Congress of ambassadors from different and hostile regions, which interests each must maintain. It is early in the day for me to challenge that great man. But there is a world of difference between our giant federation with its widely ranging interests and viewpoints and the unitary Britain of Burke's day. We are not, I hope, hostile regions. However, we are sufficiently different in our aspirations, opportunities, geography and environment that it is a constant and demanding task to educate our fellow Canadians in the valid expectations of our own region or province and of others.

As historian David Bercuson explains:

> Western Canada was not settled through the steady movement of eastern Canadians pushing westward against an expanding frontier of settlement. It was peopled instead mostly by immigrants who had no knowledge of or connection with central or Atlantic Canada. It was natural therefore that the development of ideas, values and traditions in western Canada would not strictly follow the ideas, values and traditions that had already developed in central and Atlantic Canada. The West was to be different because its people were different.

The western Canadian character was moulded by experience acting on tradition. Immigrants brought the culture, values, language and religion of their native lands with them in their confrontation with western Canada's society and environment. Some were eager to embrace the ways of their adopted countries. Others clung tenaciously to their old traditions. All faced the hardships and trials of settlement in a new and harsh land far from home. The experience of settlement and expansion, of putting down roots and building farms and ranches, cities and towns, stores and factories, created a blend of individualism and co-operation among westerners. Theirs was a Canadianism with a truly western flavour. Homesteaders did not just believe in rugged individualism, they lived it.

In this way westerners developed a sense of community. They were separated from central and eastern Canada by distance and attitude. Their economy was based on the extraction of raw, unfinished products that were shipped elsewhere for processing. Policies which affected the daily lives of westerners were often made by a distant Government, controlled by those with little knowledge of or interest in the special problems and circumstances of westerners. Westerners, therefore, developed an identity based on individualism and a need for co-operation, on the very experience of living on prairie farms or in British Columbia mining towns. They were different because they felt themselves to be different.

• (1200)

This kind of attitude has resulted in our people having a very strong desire to influence their own destiny. We westerners have made decisions since we first came into this country. Westerners, to a considerable extent, have had an independent sense and a strong feeling that we do not want to be told to participate. We have been part of the process, we are part of the process and we have every desire to remain a part of the process.

You will never really understand the West unless you understand the populism, the very real and existing populism of the western Canadians. This populism roots very deeply in the early farmers organizations and the co-operative activities that were the source of joint effort, the source of development and the source of growth in the undeveloped communities of the early settlement years.

The drive for a reformed Senate emanating from the West can be understood in the context of western populism. A reformed Senate, an elected Senate, would address serious regional grievances in all parts of this country, but to westerners it is particularly appealing as another vehicle in which our voices can be heard. It is a great credit that this Government is the first federal Government to put Senate reform at the top of constitutional discussions. It is yet another example of the Prime Minister's responsiveness to the unique needs and desires of our region.

We in this House are on the cutting edge of political decisions, but that is all. Each of us, in every corner of this House, and those of us from the West, have behind us the firm strong record of a decisive people who are ready to sit with us and discuss one on one the manner in which this nation should be run.

It is not my aspiration to spend my time in public life as a message carrier for Ottawa. I could not have endured the role of a Liberal or NDP Member who had to carry the message during the bitter years when our western oil and gas resources were being arbitrarily expropriated, that it was "in the interests of the whole".

Our Party did not believe it was in the interests of the whole. We believe that we should listen to the local Government, the local people and hear their case. We did not believe the power of the majority should be used to override the strongly-held views of a minority region.

I hope it will never be said of me that I do not listen to the people of Calgary Southeast, just as I dare hope other Members listen to those who sent them. Listening gets a lot of lip service, but you cannot listen if you are not within hailing distance. The place to listen is standing on a constituent's doorstep, sitting down at the constituent's kitchen table or attending town hall meetings or community hall meetings.

The past mistakes of previous Governments are behind us, but when I listen, what I hear is a residue of western uncertainty and anger.

The most important step that this Government has taken to end western alienation has been the conclusion of the Canada-United States Free Trade Agreement. For most of the last century western Canadians have demanded release from the shackles of central Canadian tariff policies. More than 100 years ago farmers in Manitoba and the Northwest Territories demanded free trade. They were self-reliant. They believed in the market economy. They wanted unfettered access to United States markets for their goods, and they resented paying high prices for goods manufactured in central Canada. Who could blame them? They had faith in their ability to thrive under free trade conditions. They were the true forebearers of today's westerners who are confident of their ability to compete in global and continental markets, confident of their entrepreneurial talents, confident that they can improve their prosperity and build a better society without government interference and regulation.

We westerners are a self-reliant people. We have been nurtured in the hardships of the pioneer immigrant experience. We have traditionally sought nothing more than equality of opportunity and equality of treatment with other Canadians. In giving us that, this Government has begun to address a century of grievance. The Free Trade Agreement has gone far toward that end.

The Government must continue to reassure westerners that opportunities for new development will be equal across Canada. The Throne Speech holds out that promise with its commitment to "ensure that the benefits of liberalized trade and economic expansion are shared fairly by all Canadians". The message to westerners is clear. Only by an active and vigorous involvement in the political process can we protect our regional interests while at the same time contribute to the advancement of the nation as a whole.

We westerners have come far since 1984. The total isolation that was our lot under the Liberals has been dramatically reversed, but there is farther yet to go. It will take even more time and even more positive action on the part of this Government to reverse the damage that was done in 16 years of Liberal rule.

More so than any Government in recent memory, it is clear that this Government is genuinely interested in dispelling regional differences. No Conservative Prime Minister will ever ask westerners:"Why should I sell your wheat, your oil, your potash?". This Government, by its actions, has started to bring westerners, Québecers and Atlantic Canadians into the fold to share the bounty of Confederation.

I welcome the Government's continuing commitment to the social programs that have a long time ago made Canada a "kinder, gentler nation."

That spirit of caring is deeply rooted in the western Canadian psyche. Westerners banded together in the face of hardship and for more than 100 years we have led the nation in innovative social and education programs. We believe in social justice, and we practice it. We are also a multicultural society, and have been since waves of immigrants settled the West, most from Europe and the United States, 90 years ago. The more recent arrival of peoples from Asia, the Caribbean and other parts of the world are a continuation of that process, a process that has built and strengthened the West and added to our pool of talent. Westerners are the sons and daughters of immigrants. We believe in multiculturalism, and we practice it.

Westerners applaud the actions that this Government has taken during the last four and one-half years to protect our environment. It is a remarkable record. Canada is a world leader in this area. Next month, the Geneva-based International Environment Bureau will present the Prime Minister, representing all Canadians, with its 1989 Environmental Achievement Award, a most prestigous honour and one in which we can take a great deal of pride.

We in the West know our environment well. It has moulded our character. The self-reliance of our pioneers and homesteaders was borne of the physical separation of their settements, the long prairie winters and the unremitting toil of breaking prairie sod and forcing it to produce in abundance.

With the advances that modern technology has brought, we now live, work and play in that environment. We know that the destruction of the environment would ultimately be the destruction of ourselves.

In environmental protection this Throne Speech holds great promise for the immediate future, but despite this I say this Government should be on guard. We westerners will continue to demand action to protect the environment, but we will also continue to resent "experts" from elsewhere who would come to our beautiful parks and forests and tell us what we must do to protect them without regard to our needs, to our feelings or to the facts. Environmental protection is absolutely vital, but it must always be carried out with a view to utility. Westerners do not need lessons on the preservation and protection of our environmental heritage. What we do need is a fair chance to make our own case to other Canadians about how best to protect and enjoy the environment in which we live.

• (1210)

In 1984, there was one federal Cabinet Minister from western Canada. Today, there are ten.

In 1984, unfair freight rates remained one of the major grievances of western Canada about Confederation. Today those unfair rates are gone as a result of the National Transportation Act which came into effect into January of this year.

Some Hon. Members: Hear, hear!

Mr. Richardson: In 1984, inflexible regional development programs meant that Alberta sometimes received no money from these federal Government programs. Now we have a new Department of Western Economic Diversification with its headquarters in Edmonton. Decisions for the West are being made in the West.

From 1980 to 1984, Alberta received one per cent of total federal job-creation funds. Alberta now receives 10 per cent of job-creation funds, which exceeds the per capita national average.

In early 1984, in rural Alberta, in what has come to be known as the "red barn speech", the Prime Minister, then Opposition Leader, made a personal commitment to get rid of the National Energy Program. Today the National Energy Program, the PGRT, and FIRA are dead and gone.

When the oil industry in the West was on its knees the Government responded with CEDIP and flow-through shares. When our agriculture industry was on its knees this Government responded with the Special Canadian Grains Program and drought assistance. Today this Government's energy Minister is a westerner. This Government's agriculture Minister is a westerner.

There is still more to be done. The Government must ensure equality of treatment of all regions of Canada. The Government must ensure that important federal agencies and contracts are assigned to those regions where they are best suited. As westerners we want to be full and equal partners in Confederation. Regional discontent will remain until we are.

We have made a great start. I am proud of the record of the Government. The Speech from the Throne raises the expectation of an even greater future.

Therefore, I have the honour to move, seconded by the Hon. Member for Bourassa (Mrs. Gibeau), that the following address be presented to Her Excellency, the Governor General of Canada:

> To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces Decoration, Governor General and Commander in Chief of Canada:
>
> May it please Your Excellency, we, Her Majesty's loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

[*Translation*]

Ms. Marie Gibeau (Bourassa): Mr. Speaker, it is with a sense of great pleasure and pride that I second the address in Reply to the Speech from the Throne.

The clear and courageous vision expressed in the Speech from the Throne is an eloquent response to the expectations of Canadians.

On the eve of a new decade and, soon of a new century, Canadians look to the future with confidence.

When it came to power in 1984, our Government made those many years that were clouded by the mistrust and lack of understanding that poisoned federal-provincial relations and even threatened the unity of our country a thing of the past. It also made the important decisions and took the decisive action necessary to launch economic recovery and create the jobs that form the foundation of our prosperity. It has increased Canada's influence on the international scene and developed in our own country the kind of programs that guarantee genuine social justice.

In the last election Canadians again gave us their massive support and shortly afterwards, during the first session of this thirty-fourth Parliament, the Government asked this House to adopt the Free Trade Agreement with the United States which, while protecting two million Canadian jobs that depend on our exports to the United States, will open new horizons for Canadian business and industry.

Yesterday, the Speech from the Throne outlined the policies the Government intends to pursue during its mandate. Its priorities draw their inspiration from the new maturity and confidence that Canadians have developed during the past four years.

Canadians today are clearly aware they will have to put their shoulders to the wheel to support and develop our prosperity and to meet the challenges the future will bring.

Economic expansion is the only way to maintain the social programs we all want in this country, while achieving a better balance between expenditures and revenues is essential to economic stability and sustained growth.

Our country, which is still young, was built by men and women of various origins, united by the common goals of prosperity, peace and unity. We are all the grateful heirs of those pioneers who left us this magnificent heritage, this country which is Canada. Pioneer blood still flows through our veins. We too want to leave our children and our grandchildren a country that is even more prosperous, more open, more tolerant and more united.

That is why, Mr. Speaker, I am proud today to have the privilege of seconding the Address in Reply to the Speech from the Throne. In doing so, I support with enthusiasm the inspiring mission—on which this Government has embarked, which is to further develop Canada's prosperity and unity and prepare today for an even more impressive future.

I am particularly proud to take part in this endeavour as a Member for Montreal and a citizen of Quebec.

At the beginning of the 80s, Mr. Speaker, Quebec's outlook seemed very bleak indeed. The economy was at its worst, and we also suffered the supreme humiliation of being denied our place in the Canadian constitutional family.

Mr. Speaker, Québec had been wounded in its honour and in its dignity and all its people deeply felt that hurt. Montréal, our largest city, the heart of Québec, was badly affected by those years of economic stagnation and political uncertainty. Everywhere the outlook seemed dark. Unemployment was rampant in almost every sector of the economy. Crushing interest rates were a source of anxiety for families and our young people worried about their future. Something drastic had to be done. What was needed was a new team of men and women determined to take their future in their own hands and to give back to the people of Québec their hope and their pride.

This team gathered around a man who is proud of his native province, Québec, and full of ambition for his country, Canada. Today, he is Canada's Prime Minister. After restoring harmony and prosperity to this country, he is now asking us to show, more than ever before, our dedication to our country and to the well-being of its citizens.

If we want to prevent the spiralling interest rates and high levels of unemployment we experienced at the beginning of the 80s, we must reduce the national debt burden. This debt, which previous governments allowed to reach dangerous proportions, is today a millstone around the necks of all Canadians.

In my own city of Montreal, the indications are obvious that the economy has recovered and that the men and women of Montreal can once again put their energies and creativity to good use.

I was delighted to hear the 350th anniversary of the founding of Montreal mentioned in the Speech from the Throne.

All Canadians who visit us in 1992 will share our pride in this event and see that Montreal has again become the vibrant and dynamic international city it is.

Recently, the Government announced it was establishing the Space Agency in Montreal, in recognition of that city's focus on aeronautics and aerospace.

The agency will be responsible for the civilian space program, whose budget for the next ten years will be nearly $3 billion.

It will also head the main international programs including Canada's contribution to the Radarsat space station, astronaut training and various programs of the European space agency.

In research and development, another major sector that is so vital to our future, the new legislation on drug patents has already led to substantial investments that will total hundreds of millions of dollars and create thousands of new useful, well-paying jobs.

Since September 1984, 125,000 new jobs were created in Montreal alone, and unemployment in that city went from 11.3 per cent in September 1984 down to 9.3 per cent today.

In Quebec, the unemployment rate which was 13 per cent in September 1984 has fallen to 9.1 per cent, and since that period, 344,000 new jobs were created in Quebec.

Mr. Speaker, behind all these figures are families that have a chance to grow and develop. There are men and women who now have a chance to show their potential and make their dreams come true.

Mr. Speaker, Quebecers now have the means to build their future.

The Free Trade Agreement, so important to a Quebec that exports 78 per cent of its production to the United States, is our passport to prosperity.

The Government will help small and medium-sized business take advantage of new export opportunities that are emerging as a result of the Free Trade Agreement.

As for the Meech Lake Accord, it is our passport to unity.

Mr. Speaker, I referred earlier to that bleak period in our history when Quebec was excluded from this country's Constitution. That must not happen again. As a Quebecer, I know only too well how dangerous this could be for Canada's unity.

I earnestly hope that the two provincial governments that have not yet had the Accord ratified by their legislatures will do so as soon as possible.

Canada's unity is absolutely essential to this country's social and economic development.

Mr. Speaker, Canadians are aware of what we have done to promote unity and prosperity.

They took a careful look at our record in November 1988 and decided they would let the Government continue its task.

The Speech from the Throne is a clear indication that we intend to do so with diligence and determination.

However, much remains to be done.

We have begun to free ourselves from the crushing burden of the deficits accumulated in the past. In four years, we have reduced the deficit by nearly $10 billion.

We absolutely must continue and speed up this rehabilitation of our public finances. The next Budget will show our determination to do what must be done in this regard.

We have also resolutely begun the urgent task of cleaning up and protecting our environment. This too will require energetic new measures and an overall approach. In particular, we have started a large-scale plan to clean up the Great Lakes and the St. Lawrence River, as well as hazardous sites.

As was announced in the Speech from the Throne, the Government will present a new environmental protection plan to limit the environmental impact of toxic chemicals through the developement of regulations for the Canadian Environmental Protection Act; to improve the quality of our water, through new legislation; to preserve the environmental integrity of our Arctic regions; to improve the quality of the atmosphere by

negotiating an acid rain agreement with the United States, by implementing the Ozone protocol signed in Montreal in 1987 and by puirsuing international efforts to control toxic emissions and to stimulate the evolution of international institutions in environmental matters.

To support its efforts for environmental protection, the Government has altered its operational practices and enlarged the responsibilities of the Minister of the Environment.

The Speech from the Throne also pointed out the importance we give to social programs, especially those meant for the family, seniors and low-income people.

The Government has also restated its commitment to establish a national child care program. It will continue to fight family violence and child abuse.

We will also improve the Young Offenders Act so as to better protect the rights of society, while advancing the rehabilitation of young offenders.

• (1220)

[*English*]

Mr. Speaker, Canadians have shown that they want to get on with the job ahead. They know that we still face formidable challenges as a society and as a country. Canadians also know that they can count on this Government.

Some Hon. Members: Hear, hear!

Mrs. Gibeau: They know they can count on this Government to set the right course and to stick to it. The Speech from the Throne is a clear indication of our resolve.

[*Translation*]

Mr. Speaker, Canada has a rendez-vous with the future. The Speech from the Throne shows us the way to go. I therefore enthusiastically support the motion by the Hon. Member for Calgary Southeast (Mr. Richardson) on the Address in Reply to the Speech from the Throne.

Some Hon. Members: Hear, hear.

[*English*]

The Acting Speaker (Mr. Paproski): On questions or comments or a point of order?

Mr. Turner (Vancouver Quadra): I want to call it one o'clock, Mr. Speaker, if that is within the orders of the House. I might say those were two excellent speeches.

The Acting Speaker (Mr. Paproski): I believe there is agreement to call it one o'clock.

Some Hon. Members: Agreed.

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

The House took recess at 12.30 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

FORTIETH ANNIVERSARY

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, today marks the fortieth anniversary of the birth of NATO.

For 40 years the North Atlantic Treaty Organization has provided a forum for political and military consultation for 60 membership nations.

Today the 16 membership nations, of which we are one, are able to present a united front in the aim to defuse tensions and bring about lasting world peace. This is a far cry from the road we were on 40 years ago.

For the first time, last year France attended a NATO summit meeting. Spain is playing a bigger part in NATO activities. Greek and Turkish relations are moving in a positive direction.

Canada's role in NATO is not only military in nature, but it is symbolic of our close relationship with our European allies.

Our continued membership in NATO is therefore paramount to the success and survival of an organization that has played a crucial part in achieving political stability, global peace and security.

* * *

[*Translation*]

NATIONAL FILM BOARD

OSCAR TROPHY AWARD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on March 29, 1989, on the occasion of the National Film Board's 50th Anniversary, Mr. Marcel Masse, Canada's Minister of Communications, accepted an honorary Oscar granted by the Hollywood Academy of Arts and Sciences to the NFB's filmmakers for the excellence of their productions.

The Minister was accompanied by Quebec producer Anne-Claire Poirier and Alberta filmmaker Colin Low, from the NFB. On that occasion, the Minister thanked the Academy both in French and in English on behalf of the NFB's 26 million Canadian owners.

Mr Speaker, let me congratulate all our Canadian producers whose talents have made the NFB one of the world's most respected and honoured institutions.

* * *

[*English*]

ABORIGINAL PEOPLES

POST-SECONDARY EDUCATION ASSISTANCE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, eight native students on the thirteenth day of a hunger strike are in Ottawa to protest the Government's short-sighted approach to post-secondary education assistance for aboriginal students.

These are just a small number of nearly 15,000 aboriginal students now enrolled in colleges and universities across Canada. They fear that the recent cuts to student assistance will deprive them and potential students of the right to an education.

Over the past 30 years we have seen a tremendous increase in the number of native students entering the post-secondary level. Travelling from isolated communities where unemployment still soars over 70 per cent, these students depend on financial aid for their education.

After listening to yesterday's Throne Speech promising action on aboriginal rights, languages, and economic development, many Canadians find it a sad irony that the Government is actively discouraging this valuable tool of education for a new generation of aboriginal youth.

I call upon the Minister to meet with the students, listen to their concerns, and remove the economic barriers to higher education.

* * *

FISHERIES

ATLANTIC CANADA GROUNDFISH INDUSTRY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I rise to bring to the attention of the House the crisis in the groundfish industry in Atlantic Canada.

During the last month three fish plant closings were announced in my South Shore constituency. We, of course, realize that the Government cannot create fish. Furthermore, I wish to commend and thank the Minister of Fisheries and Oceans (Mr. Siddon) for his active interest in this grave situation and for working co-operatively with both the Government of Nova Scotia and industry representatives in seeking solutions to this problem.

My major concern at this time arises from the fact that the fishing industry operates on credit. With our 300-plus fish plants in Nova Scotia operating at one-quarter of their capacity, survival is tenuous to say the least. Further increases in interest rates will be devastating.

Accordingly, I would urge the Government in establishing its budget and interest policy to keep in mind the potential impact of any further increases in interest rates on Atlantic communities dependent on the troubled groundfish industry.

* * *

CANADIAN BROADCASTING CORPORATION

EFFECT OF STRIKE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, Canadians are all too aware of the strike that is going on at the Canadian Broadcasting Corporation involving members of the Canadian Union of Public Employees. It has robbed Canadians of some of the best radio and television programming in the world. It has removed some of the most famous faces and voices from our midst, and it has delayed production of full programming at the CBC thereby depriving and jeopardizing the CBC's ability to provide quality Canadian programming.

Because of cut-backs at the CBC, morale there has never been lower because of no clear commitment from the Government to the CBC. Employees at the CBC are concerned about their future. They fear that perhaps the next round of cuts means an end to their jobs.

Employees at the CBC deserve better. They deserve better than this perpetual uncertainty that goes on. What they deserve is a clear commitment from the Government of support of the Canadian broadcasting system, not support just to pick up awards.

VIA RAIL

CONTINUED GOVERNMENT SUPPORT URGED

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, four and one-half years ago our Government came to power with a commitment to improve the quality of passenger rail service after it had been slashed under the previous Liberal Government. We honoured that commitment.

Many people in Atlantic Canada who live in small rural communities far from airports consequently have come to rely on VIA Rail as their major source of transportation to the rest of the nation.

In addition, the closing of VIA Rail in New Brunswick would place increased pressure on our already over-burdened Trans-Canada Highway system. Economically the bottom line in Atlantic Canada is that over 500 jobs will be lost if VIA Rail is dismantled.

I therefore urge the Government to continue its strong support for VIA Rail and give the company the autonomy it needs to become cost efficient and competitive.

* * *

FISHERIES

NEWFOUNDLAND—FRENCH QUOTA

Mr. Rod Murphy (Churchill): Mr. Speaker, we now know that the Government has agreed to allow French fishermen to overfish in Canadian waters for a three year period in return for an agreement to settle the Canada-France dispute over the south coast of Newfoundland.

Newfoundlanders and Labradorians have also been told that their former Fisheries Minister and newly anointed Premier is outraged at this action. The Premier wants to make it seem that he was not kept fully advised by the federal Government, that he was not on top of this issue. Perhaps this is yet again an example of the Government not keeping concerned provinces informed about issues affecting them.

Yesterday's Throne Speech waxed on about Canadians who fish for a living and are finding their catches reduced by predatory overfishing. How can the Government allow French overfishing in our waters while saying the opposite in the Throne Speech?

Newfoundlanders and Labradorians should be wondering why their Government has allowed French overfishing while seeing their total allowable catch reduced.

S. O. 31

THE ECONOMY

EFFECT OF NATIONAL DEBT INTEREST CHARGES

Mr. Ken G. Hughes (Macleod): Mr. Speaker, a full 31 per cent of federal government revenue now goes to pay interest on our national debt. Even if we were to keep our annual deficit at current levels, the total debt would continue to grow.

Where would we stop? Should we wait until we are paying more than 50 per cent of our revenues for interest costs as Members opposite might suggest?

No, Mr. Speaker. Now is the time to face the music.

In my riding of Macleod, consumers, homeowners, farmers, ranchers and others all pay higher interest rates in part because of the huge national debt. Since 1984 our Government has started to turn things around.

No family can live beyond its means, nor can any Government.

Canadians from all walks of life must work together to face this challenge.

* * *

• (1410)

EXTERNAL AFFAIRS

GREECE—INDEPENDENCE DAY

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker I would like to take this opportunity to recognize formally the Independence Day of the country of Greece which is observed throughout the world by people of Helenic origin and ancestry. On March 25 of this year, Greece celebrated its 168 years of independence from 400 years of oppression by the Ottoman Empire.

While the number of years that Greece has claimed independence is short, the legacy which its rich history imparts to the world is very long indeed. If we are gathered here today in this Parliament which forms the core of the democratic principles which we hold so dear, it is because the scholars and ordinary citizens of ancient Greece struggled so passionately to give birth to a system which we can now accept as our supreme right as citizens of Canada.

Lest we lose sight of the fact that the state of Greece is the cradle of western civilization, it is only fitting that we take this moment to acknowledge the anniversary of Greek independence.

S. O. 31

VIA RAIL

IMPORTANCE TO ATLANTIC CANADA

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, VIA Rail is important to the maritime provinces. The Atlantic Limited is the flagship of their operations there. Besides providing a means of affordable transportation and serving as a crucial link in Atlantic Canada's identification with the rest of the nation, it is a major employer with growing revenues and significant ridership.

Maritimers have well supported it. The Government should well encourage that support.

* * *

THE LATE FATHER SEAN O'SULLIVAN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise today to pay belated tribute to a friend, classmate, parliamentarian, and priest, Father Sean O'Sullivan, whose untimely passing last month left a nation in sorrow.

Father Sean's name was synonymous with courage. In his last fight with leukemia he certainly showed that courage, and in his political career he never hesitated to march to the tune of his own drummer.

Driven by idealism, Father Sean gave up the trappings and the so-called lure of politics to devote his final short years to God's work.

Sean's life was a life of vision and courage. As his friend the Right Hon. Leader of the Opposition said, it was a life of triumph.

I knew Sean not as a political opponent but as a classmate and friend. In my first political battle I ran against Sean as President of the Bishop Ryan Social Action Club. I must say that he beat me, trounced me soundly, and taught me a few lessons about politics.

Sean was always devoted to social change, to the betterment of the common person, and to a driving commitment to make his country, his party, and ultimately his church a more responsive and reflective agent of social change.

To his family, his parents Paul and Helen, his brothers, sister, and to his aunt Sister Joan, our heartfelt condolences; and to Father Sean, Godspeed.

Some Hon. Members: Hear, hear!

* * *

THE ECONOMY

INTEREST RATES—CALL FOR REDUCTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am sure you are aware that this country is now in the midst of an interest rate crisis, a crisis that will affect not only the farmers, workers, and small business community, but also people who want to buy homes.

You might recall, Mr. Speaker, that back in 1981 the Conservative Party was howling and complaining in the House about interest rates being much too high. At that time, the real interest rate in Canada was around 6 per cent. Now the real interest rate—the difference between the bank rate and the cost of living—is around 8 per cent, not 6 per cent. It is some 2 per cent higher.

In 1981 the present Minister of Finance (Mr. Wilson) and the present Secretary of State for External Affairs (Mr. Clark) were saying that interest rates were too high, they ought to be brought down, and that there ought to be a new Government to bring them down.

I now call upon the Government across the way to stop hiding behind John Crow and the Bank of Canada,and to bring down interest rates in order that the ordinary people in this country have a fair deal.

* * *

LABOUR RELATIONS

CAPE BRETON DEVELOPMENT CORPORATION STRIKE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the federally owned and operated Cape Breton Development Corporation and the International Association of Machinists have been involved in a long and bitter labour dispute. This dispute has gone on for eight weeks. As a result, 3,200 employees of that Crown Corporation are without employment, affecting communities across all of Cape Breton. It is causing havoc and disorder within those communities.

I believe very strongly in the collective bargaining process. However, I would like to ask that the Minister of Labour (Mr. Corbeil) and the Minister responsible for

this Crown Corporation consult with senior members of management in order to order them back to the bargaining table so that they can begin the process of resolving this long and bitter dispute which is not only affecting the lives of families and children but indeed of a community at large. I urge the Minister to take that action immediately.

HOUSE OF COMMONS

[*English*]

LEADER OF THE NEW DEMOCRATIC PARTY

TRIBUTE TO HON. EDWARD BROADBENT

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would like very briefly to pay tribute to the Hon. Member for Oshawa (Mr. Broadbent). He recently announced his intention of relinquishing the leadership of the New Democratic Party. I will do so with some moderation for the moment, Mr. Speaker, bearing in mind the fact that the Member remains at his post until next winter which will give us both ample time and opportunity to pursue the ongoing assessment of our respective merits.

I have learned it is also advisable to exercise prudence in commenting on a retirement from the leadership of a rival Party. Recent history has shown that an announced retirement is different from a real retirement.

In fact, Mr. Speaker, as I watched the Hon. Member for Oshawa tango at the Governor General's last night I can tell that you he didn't look like anybody announcing his retirement at all.

In fact it is much too early to imagine the Member, the very distinguished Member, in one of his radical chic leisure suits, puttering around in his Sandy Hill mansion, or blowing smoke from his famous Monte Cristo cigars while lounging on the beach in Rio after another exhausting meeting of the Socialist International.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I point out at the same time the Progessive Conservatives were meeting in Jonquière.

However, I know that whatever the disagreements we may have in this place, and we have had a few, and I suppose we will again, the Leader of the NDP will always remain faithful to the principles that his whole political career has in fact exemplified. For that, Mr. Speaker, the Hon. Member for Oshawa has earned the unanimous admiration and respect of all members of the House of Commons.

Tribute to Hon. Edward Broadbent

Some Hon. Members: Hear, hear!.

[*Whereupon the House stood in tribute*].

Mr. Mulroney: Because the Member never wavered in his support for those fundamental principles of equality and justice on which this country was built, and because he defended them with passion and intelligence within his Party and throughout the country, he has made a singular contribution to our national life.

[*Translation*]

I daresay, Mr. Speaker, that the New Democratic Leader already enjoys a special place in this history of his party, and that he greatly contributed to the development of our collective conscience.

It would be an insult to the New Democratic Leader's intelligence if I stated that I share all the positions taken by his Party, not to mention the fact that some Members of his caucus become quite susceptible when confronted with support from moderate quarters!

But when it came to major stakes involving our future, especially the absolute need for genuine national reconciliation in this country, the Leader of the New Democratic Party always put the nation's higher interests above every partisan or political consideration.

This, Mr. Speaker, has earned him I believe, the respect and affection of many Quebec men and women who, fortunately for me, were not concentrated in the same constituency.

• (1420)

[*English*]

I think there exists in Canada today a profound desire to get on with the job of preparing a better future for our children and their children. Canadians are no longer interested in fighting again the sterile battles of the past when the 21st century beckons.

This new spirit which we feel throughout this land, and throughout all political Parties in this Chamber, did not come about spontaneously. Nor is it the product of one man or woman or one political Party's action. It comes above all from a shared conviction that unity and harmony are the foundations on which we must build our future prosperity and strength.

Few people in this Chamber or elsewhere have contributed more to this new spirit, so beneficial for Canada, than the Hon. Member for Oshawa, the Leader of the New Democratic Party. To you, Ed, and to Lucille, whom we all enjoy and admire, I convey the genuine congratulations of the Government of Canada and the warm good wishes of all Canadians from coast to coast.

Tribute to Hon. Edward Broadbent

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if I can break the rules at the outset, if I were you, Ed, I would take that as a prelude to an appointment.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): You and I know, Mr. Speaker, that politics is a rough profession; it is a tough game. The Leader of the New Democratic Party knows that. Politics is also an honourable calling. The House of Commons is an honourable place. The Leader of the New Democratic Party knows that as well.

I have always respected from the outset the Hon. Member's skill as a parliamentarian and his respect for this place. He is "a House of Commons man", if I can use that memorable phrase of John Diefenbaker, the ultimate compliment paid to anybody in this place.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Member for Oshawa (Mr. Broadbent) stands in the great tradition, the line of Woodsworth, Coldwell, Douglas, Knowles, and Lewis. He stands by his beliefs. He fights for his principles, whether they be popular or unpopular. He understands the modern techniques of politics and uses them well, sometimes too well for our liking. He understands as well that values, principles, and judgment are just as important in public life and leadership as those modern techniques.

Obviously I do not agree with the Leader of the NDP about a lot of things. For example, I am not about to take his retirement announcement as any precedent.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am listening, Ed, but I am not quite paying attention. I worry, too, as did the Prime Minister (Mr. Mulroney), about praising my hon. friend too highly today, because even he has been known to change his mind.

[*Translation*]

Mr. Speaker, the honourable Member never forgot the people in Oshawa elected him, and those constituents remained very faithful to him over a twenty–year period. And the Honorable Member for Oshawa fully realized that Canadian political parties must be national in scope. For the first time in the history of that party, he bound ties with Quebec. But in spite of everything, he kept his sense of humour. He always studied the problems carefully. He also realized that his political opponents also may have deep convictions.

[*English*]

I had better be careful here, Mr. Speaker. Looking to my left again and to the Hon. Member, in a direction that makes a lot of my Members nervous, I see that a good number of the NDP Members are fidgety. They suspect that I may in fact be launching a "Draft Ed" movement here.

In any event, we are paying tribute today to a fine gentleman, to an outstanding Canadian. He has been and will continue to be, as long as he chooses to stay, an ornament to this House. I say to him and to Lucille that he carries the full weight of our Party behind him. To both of them together, I wish them continued success, continued happiness, and thank them for their contribution to this country.

Some Hon. Members: Hear, hear!

Mr. Nelson Riis (Kamloops): Mr. Speaker, I guess it is safe for me to say a few words on behalf of our caucus about the Hon. Member for Oshawa (Mr. Broadbent), since I am not going to be one of those who will be running to replace him.

Some Hon. Members: Hear, hear!

Mr. Riis: I just want to make that clear. If I did not make that clear there would be a number of people behind me who would be poking me in the back. I can actually feel it now. I do not think they quite believe me.

The Right Hon. Prime Minister (Mr. Mulroney) and the Right Hon. Leader of the Official Opposition (Mr. Turner) made some funny comments, attempts to embarrass to a certain extent our Leader. It is easy for them because they do not have to sit beside him for the next eight months.

I think it is fair to say that all Canadians see Ed Broadbent as a familiar face in their communities across the country, as a welcome face in their living rooms. I know we in the New Democratic Party see him not only as a great political Leader in the tradition of those who have gone before him but also as a great parliamentarian and as a great friend, because with Ed Broadbent, the Hon. Member for Oshawa, what you see is what you get. He says what he means and he means what he says. He believes that politics not only is a calling, and a very, very important calling in terms of it being a way to serve one's country, but should also be fun. Perhaps at a more appropriate time we will relate a number of occasions when Ed Broadbent had fun. Perhaps today should not be one of those days.

I want to say that the fact we are having a leadership race but do not have any runners indicates that we feel it is going to be impossible for anyone to replace Ed Broadbent and the kind of Leader he is. Today, Ed, we are paying tribute to you as a parliamentarian, as a friend of all of us here and a friend to all Canadians.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, all I can say is that there is no Social Democrat like a dead Social Democrat.

I have listened with a great deal of interest to the words that have been spoken today. I want the Prime Minister (Mr. Mulroney) and the Leader of the Official Opposition (Mr. Turner) in particular to know I have considered very carefully what they had to say just a few minutes ago about the role I played in this country, and the importance of expanding our Party in the Province of Quebec as well as elsewhere, and I want them to know I have changed my mind.

Some Hon. Members: Hear, hear!

Mr. Broadbent: No, I would not do that. I did doubt what the Prime Minister had to say about my propensity from time to time to enjoy the odd good cigar. I think he mentioned something about my having a nice suit, smoking a cigar on a beach in Rio, and my house in Sandy Hill. I just want to say to the Prime Minister that the people of Canada did not pay for my house or for my cigar, or for the trip to Rio.

Some Hon. Members: Hear, hear!

• (1430)

Mr. Broadbent: I did also notice those members of the Cabinet who were a little more reluctant than others to get to their feet, and I will keep that in mind in subsequent Question Periods between now and December. I carefully made note of that. It is on the visual record anyway. We can check those tapes.

As for the Leader of the Opposition, I noticed with a great deal of interest what he had to say about my decision. He said that he did not want it to be seen as a precedent. I noticed the reactions on the face of half his caucus members, and I would be happy to give him that list afterwards.

Tribute to Hon. Edward Broadbent

To be serious for at least a few minutes, on my part I do indeed appreciate the comments made by the Prime Minister, the Leader of the Opposition, and of course my House Leader on behalf of my colleagues here in the House of Commons.

It has been an immense pleasure for me as Leader of the New Democratic Party of Canada to fight strongly and to the best of my abilities for the principles of social democracy.

[*Translation*]

. . .especially to make a special effort to establish a party able to deal effectively with the Province of Quebec and Eastern Canada. I find it very important, in that context, to listen to leaders and also the opinions of others who recently wrote letters, such as members of this historic House. It is one thing to work very hard, but it is something quite different to obtain the respect of one's opponents. May I express my very sincere thanks for these moments!

[*English*]

In the days ahead, in fact starting probably in about three minutes, all the opinions I have had in the past 14 years as Leader will be brought to bear in the Question Period. I say to my fellow Members of the House of Commons who happen to be members of Cabinet, Ministers of the Crown, that my vigorous debate, my points of order, and my questions of privilege have absolutely nothing personal in them, but look out.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SASKATCHEWAN PREMIER

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of the Honourable Grant Devine, Premier of the Province of Saskatchewan and Minister of Agriculture.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MANITOBA ATTORNEY GENERAL

Mr. Speaker: Also I wish to draw to the Members' attention the presence in the gallery of the Honourable Jim McCrae, Attorney General for Manitoba and Minister for Co-Operative, Consumer and Corporate Affairs.

Some Hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA–FRANCE AGREEMENT–EFFECT ON NEWFOUNDLAND

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister ended the last session of this Parliament by selling out Canada to the United States. The Prime Minister began this session of Parliament by selling out the fishermen of Newfoundland to France. Mr. Speaker, how does the Prime Minister really have the nerve to produce a Throne Speech which says that his Government will reduce "predatory overfishing" when his Government at the same time is giving France carte blanche to destroy our Atlantic fisheries by sanctioning overfishing by the French? Why this hypocrisy in the Throne Speech at the expense of the people of Newfoundland?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, presumably the Hon. Leader of the Opposition is referring to the agreement just reached between Canada and France which after 12 years results in the question of the territorial boundaries of Canada and France and St. Pierre and Miquelon being sent for final adjudication to an international court, a great achievement which has taken 12 years, Mr. Speaker, to accomplish.

Now, Mr. Speaker, there has been no sanctioning of overfishing in this Canada–France agreement. As a matter of fact, Mr. Speaker, the result on the south coast of Newfoundland in the disputed area of the 3PS results in France agreeing to take 10,000 less pounds of fish each year over the next three years than they had before announced they were going to take. These are disputed waters, not Canadian waters, Mr. Speaker. We have no authority over these waters until an international tribunal deals with the issue, and I am glad to say, Mr. Speaker, that we achieved an agreement that results in us having to agree to less quotas of fish for France in Canadian waters under the 1972 treaty of the hon. gentleman's Government; this the Leader of the Opposition in Newfoundland had suggested we do when he said that we were offering unreasonably small amounts to the French, which of course is a comment that the Hon. Leader of the Opposition might check upon with the Leader of the Liberal Party of Newfoundland.

Mr. Turner (Vancouver Quadra): I would have thought that the hon. gentleman would have been defending the fisheries of Newfoundland instead of trying to justify the diplomatic note sent to France which justifies and sanctions that overfishing in favour of the French.

* * *

ENERGY

HIBERNIA OIL FIELD DEVELOPMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we all read the Throne Speech carefully. I wasn't able to find many of those "spending commitments", to use the term of the Minister of Finance, during May, during the campaign and endorsed by the Prime Minister during the campaign. I would like to ask the Prime Minister what happened to all those megaprojects which were announced that were supposed to help the various regions of our country, and specifically what happened to Hibernia which was supposed to bring untold wealth to Atlantic Canada?

Where is the deal that was supposed to be signed, sealed and delivered by March 31, and why is Hibernia not mentioned in the Throne Speech? Why is the budget of the Minister of Finance not being allowed to precede, or rather is being delayed until after the Newfoundland election? I will ask this of the Minister of Trade if he wants to answer on behalf of the people of Canada and the people of Newfoundland.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to answer the right hon. gentleman in respect of Hibernia, keeping in mind his earlier statement when he was opposed to the megaproject, and I take it that he was also therefore opposed to Hibernia. That being the case, I want to inform the right hon. gentlemen that—

An Hon. Member: Oh, oh!

Mr. Epp: —that on Hibernia I met with the sponsors of Hibernia shortly after I was appointed to this Ministry. We went through the various aspects of Hibernia. I pointed out the federal Government's ongoing commitment to the Hibernia project and the statement of principles. We examined the statement of principles whether we could sign them on or before March 31, 1989. It was agreed that the legal documentation as well as the testing of the equity market would take more time.

We did put forward a statement that the federal Government, the provincial Governments and the sponsors are committed to the Hibernia project and that the

date of 1995 remains operative and the statement of principles, and that is the position of the federal Government today.

In fact, I should tell the Right Hon. Prime Minister—the Leader—

An Hon. Member: You were right the first time.

Mr. Epp: I was right once but I was not right at the present time. There is a Prime Minister and he is not your Leader, and so what I say is this. There were certain numbers given to the Hibernia project.

• (1440)

Obviously as people have been looking at that project with new technology, that is, primarily the sponsors, there is a new examination of some of those numbers. However, the commitment on the project remains as it was before.

Mr. Turner (Vancouver Quadra): That answer is a far cry from the declaration of the Prime Minister in Newfoundland on July 19, when he said: "Today the dream has been realized". Where is that dream? There is no legally binding document. It has been postponed *sine die*.

Let me say to the hon. gentleman that I have always favoured the Hibernia project subject to a better return on royalties to the people of Newfoundland and Labrador.

[*Translation*]

SITUATION OF THE DISADVANTAGED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the essence of this Throne Speech is that the Government wants to cut back on assistance to the most disadvantaged regions and the neediest Canadians. Why does the Throne Speech say that the unemployed, whose unemployment insurance benefits will be cut, will have to pay for training programs? Why should ordinary Canadians, need their incomes to support their families, clothe their children and pay the rent, have to pay for four and a half years of Conservative incompetence? Why didn't the Government make helping the most disadvantaged and neediest Canadians its priority instead of giving that priority to nuclear subs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition wonders why the Throne Speech says that the unemployed and ordinary families and the needy have to pay the bill. The Throne Speech says nothing of the kind. It is a fabrication used by the Leader of the Opposition during the election campaign, and I assume that is one of the main reasons why the Liberals are in the opposition and will probably remain there for quite some time.

Mr. Speaker: The Hon. Member for Laurier—Sainte-Marie.

Some Hon. Members: Hear, hear.

UNIVERSALITY OF SOCIAL PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, I may have lost some of my hair but I am still as strong as ever.

My question is directed to the Right Hon. Prime Minister. The Throne Speech had a lot to say about social programs but unfortunately, there is no assurance that the universality of social programs will be maintained. Is the Prime Minister prepared to give the House the assurance today, here and now, that the universality of social programs will be guaranteed during the next four years?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, first let me say to the Hon. Member that we on this side of the House are delighted to see him back. It is the first opportunity I have had to congratulate him on his new responsibilities and also to say that it is obvious from that question that he has lost none of his old vigour.

[*Translation*]

Mr. Speaker, the universality of social programs is a principle that is well accepted by the Government and by the people of Canada.

HEALTH INSURANCE PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister. Today, unfortunately, the Minister of Transport said on one of the radio stations that his Government would have to reduce the deficit by five billion and that this would be at the expense of established programs financing. Could the Prime Minister give the House the assurance that the health insurance, the hospital insurance program will not be cut in any way and that he will not make the provincial governments do the dirty work?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the Government is committed to ensuring that Canada's health care system remains the best in the world. In terms of what steps will be taken in the future, the Hon. Member will want to wait until announcements are made by the Government, if any are to come.

* * *

UNEMPLOYMENT INSURANCE

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Following the signing of the trade deal, the Prime Minister said on behalf of his Government in terms of the Government's attitude toward workers who would be negatively affected by the trade deal that the Government would produce a massive adjustment program. In December, this past year, the Prime Minister said that the Government of Canada would ensure there would be in place, "the finest programs that exist anywhere", to protect workers and communities affected negatively by this trade deal.

There have been two significant developments since then, the de Grandpré Report which produced no massive new adjustment program of the kind described by the Prime Minister, and yesterday's Throne Speech which targeted, of all things, the Unemployment Insurance Program in Canada, thus negatively affecting the one program that might have been helpful to workers who could be negatively affected in the future.

Why this complete contradiction between what the Prime Minister promised would be put in place for workers negatively affected and what the Government is actually doing?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first I think it is important that the Hon. Member read what is in the Throne Speech in reference to unemployment insurance. I want to assure him that there is no indication in the Throne Speech that people on unemployment insurance will be negatively affected. People who need unemployment insurance will continue to get unemployment insurance.

The speech says that my Government will propose amendments to the Unemployment Insurance Program in order to improve the program's effectiveness and its fairness.

Mr. Broadbent: Mr. Speaker, the Minister confirmed the point. We in the NDP believe that all those eligible for unemployment insurance are the people who need it now and in the future. That is what we are saying.

[*Translation*]

REQUEST THAT BENEFITS NOT BE REDUCED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister.

Will she guarantee there will be no reduction in unemployment insurance benefits in the future?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me assure the Hon. Member that there are three objectives in what we are planning. First, Canadians who suffer job loss will continue to receive the financial support they need, whatever the reason for that job loss, as they have in the past. Second, people who are unemployed want to work. We want to better match their skills with the jobs that are available to them and ensure that they can take advantage of those opportunities. Third, as the Hon. Member has said himself, training is the key to bringing those two things together. Those are the three objectives as stated in the Speech and what our policy will be.

Mr. Broadbent: Once again, Members of the House, and especially Canadians outside the House who can be affected in the future, will notice that the Minister did not give a guarantee that there would be no reductions in the future unemployment insurance pay-outs to groups of Canadians who are now getting them. We know the agenda. It is up to the Government to come clean and tell the people of Canada what it really plans to do.

* * *

FISHERIES

CANADA–FRANCE AGREEMENT–EFFECT ON NEWFOUNDLAND FISHERMEN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to direct my final supplementary question to the Prime Minister, but since he is not answering I presume the Minister responsible for Newfoundland will answer.

The Government has given away to the French the right to fish excessively off the southern coast of Newfoundland. The deal the Government has entered into has been estimated to cost some 800 Newfoundland jobs. What plans does the Government have in place to compensate these 800 Newfoundlanders who will be negatively affected by this incredible deal.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the only thing incredible is the hon. gentleman's allegations in his question. There is no sanctioning of overfishing by the French in Canadian waters or in disputed waters. The French are agreeing to reduce their catch in disputed waters by 10,000 tonnes a year, which is a considerable accomplishment, and to allow inspection by Canadian inspectors, 12 inspections a year, and for the first time to give accurate data on catches.

I want to refer the hon. gentleman to what was said by Richard Cashin, head of the fishermen's union.

> We now have a settlement. It is probably the best that we could have done. We have, I suppose, the frame work before us now to ultimately resolve the very serious problem that affected fishermen primarily in the south coast of Newfoundland. . .nobody likes all the parts of it but I accept what Mr. Crosbie has said.

If it is good enough for Cashin, then it should be good enough for the Leader of the NDP.

• (1450)

FRENCH OVERFISHING

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question is also for the Minister for International Trade, my distinguished fellow countryman from St. John's West. As he is now painfully aware, the Government's knuckling under to a foreign country reached a new low last week with the fish agreement with France.

I ask the Minister, given that the French have flagrantly overfished in 3PS for the last four years ever since this Government took office and that the fishery on the South coast of Newfoundland is a wipe-out this year because of French overfishing, why did he agree to the cave-in to the French?

How can he say with a straight face that this deal is in the best interests of Newfoundland and Newfoundland fishermen? In short, why did he, the Minister from St. John's West, pawn his birthright over this issue and why did he put the shaft to 15,000 fishermen and plant workers on the south coast of Newfoundland?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this Government has acted to protect and save the fishermen of the south coast of Newfoundland. Once this matter is settled by an international tribunal, the boundaries will be set on the south coast of Newfoundland. The disputed zone will exist no longer. Canadian fishing laws and regulations will be in effect and their long term future will be secured because we have taken a long-term approach.

I would like to point out to the hon. gentleman that in 1982 the then Liberal Government entered into an agreement with the EEC giving them 9,500 tonnes of northern cod for six years, 57,000 tonnes of northern cod they handed over to the European Community and 9,270 thousand tonnes of that went to the French. Where was the hon. gentleman then?

Mr. Clyde Wells said this on October 28, 1987:

> The EEC is giving up their share, some 9,500 tonnes. That quantity can be used to bargain reasonably with France and give France a significant portion of that 9,500 tonnes and try and bargain reasonably without in any way impacting on the inshore fisheries or Canadian fisheries in the area.

When he said that, the Hon. Member was a member of his caucus and we never heard one peep out of him when he said that.

MINISTER'S POSITION

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the Minister can quote Comrade Cashin all he wants.

Mr. Crosbie: What about Comrade Wells?

Mr. Simmons: Why does he not quote Buchanan who says it is a give-away, or temporary Premier Rideout who says it is a betrayal? Even his bosom pals in Newfoundland and Nova Scotia are disowning this cowardly deal.

I ask the Minister from St. John's West how he can stomach the situation that his political masters have put him in. What—

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Simmons: Mr. Speaker, I ask the Minister, why does he continue to hang out with this bunch of weak-kneed amateurs who could not negotiate their way out of a wet paper bag? Why won't he consider washing his hands—

Mr. Speaker: I suppose there is a question there.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think I can discern at least an answer. Would the hon. gentleman explain to the Members of the House why in 1980 the previous Liberal Government entered into an agreement—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —to give 20,500 tonnes of cod a year—

Mr. Speaker: I think we will move on. The Hon. Member for Labrador.

MINISTER QUERIED

Mr. William Rompkey (Labrador): Mr. Speaker, my question is directed to the silent Minister of Fisheries. I want to ask him, as a willing saboteur to this dirty deal done between Canada and France, and a willing saboteur—

Mr. Speaker: I would say to the Hon. Member for Labrador that, although no immediate complaint has been raised, the Hon. Member is getting awfully close to using unparliamentary language. I would ask him to put his question using perhaps a more favourable word.

Mr. Rompkey: I want to explain to you and the House, Mr. Speaker, that the Minister of Fisheries is an accomplice in the sell-out of the northern cod on the 40th anniversary of the entry of Newfoundland into Confederation. We brought that stock into Confederation and the Minister was an accomplice in selling it out. I want to ask him, as a Minister of Fisheries who has now told Labrador fishermen that they do not count, that their future is immaterial to him, how can he stay on? How can he be the Minister of Oceans and sell out the Labrador fishermen, sell them down the river?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker—

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker—

Mr. Crosbie: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Rompkey: On a point of order—

Mr. Speaker: The Hon. Member for Labrador was seeking the floor on a point of order, and Hon. Members will realize, of course, that that is not done during Question Period. I will certainly hear him afterwards. The Hon. Minister.

Some Hon. Members: Which one?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentlemen are trying to fight the Newfoundland provincial election on the floor of the House, and I have been delegated to answer this kind of snide and ridiculous question.

Mr. Speaker: The Hon. Member.

Mr. Crosbie: I have not finished my answer.

POSITION OF MINISTER OF FISHERIES

Hon. William Rompkey (Labrador): My supplementary question is for the Minister of Fisheries who declined to answer my first question, who refused to answer my first question, is this. He has turned down two fishermen's co-ops on the coast of Labrador, the most disadvantaged fishermen anywhere in Canada. He has said, "No, you cannot fish northern cod". How can he do that and agree to give that very resource away to the French? How can he do that?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I thank the Hon. Member for directing the question more specifically. If Hon. Members choose to listen, the Hon. Member knows that we have quotas of northern cod allocated to Canadian fishermen under our enterprise allocation scheme which his Government set up several years ago under which we do not allow new entrants piecemeal because that encroaches upon the quotas available to other Canadian fishermen.

As the Hon. Member for St. John's West has pointed out, the Government of which the Hon. Member for Labrador was a part allocated to France a significant portion of 9,500 tonnes of northern cod. We have reduced that amount substantially to secure a lasting and historic settlement of a festering boundary dispute with France.

* * *

ENVIRONMENTAL AFFAIRS

VALDEZ OIL SPILL

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Transport who is responsible for the Coast Guard which is the lead agency for dealing with marine oil spills. Since the Valdez spill is now half the size of Nova Scotia, has spread over 750 miles of coastline and is now approximately 200 miles from hitting the most northerly part of the B.C. coast, would the Minister explain to the House why he has been unable to travel to view this largest spill in the history of North America?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would say to my hon. friend that, as of this morning, the reports we had from the U.S. Coast Guard are to the effect that the oil is still in Prince William Sound. It is just at the opening of the sound, at Cape Clear, 1,000 kilometres from the nearest Canadian border. The oil is moving away from the western part of Alaska toward the ocean and is not moving in the direction of Canada.

• (1500)

We must be very vigilant. The disaster is a terrible one and we are deeply concerned with it. We are exercising the utmost vigilance to make sure that the oil will not reach our coast.

Mr. Fulton: Mr. Speaker, the response we just heard was pathetic.

THREAT TO BRITISH COLUMBIA COAST

Mr. Jim Fulton (Skeena): Mr. Speaker, I address my supplementary to the Minister of Transport. I confirmed with the Minister of Transport's own Coast Guard emergency officials an hour prior to Question Period that this spill is 50 miles south of Cordova, and for anyone who wants to look at a map it is 200 miles from the B.C. coast.

What is the Minister going to do? Is he going to move containment and spill clean-up technology to the north coast of British Columbia now while there is time to prepare, or will he wait until the oil hits our coast?

Mr. Benoit Bouchard (Minister of Transport): Mr. Speaker, the Member is wrong. I prefer to use figures given by my colleague which come directly from the Canadian Coast Guard. It is not the time to play politics with those.

* * *

TRANSPORT

ATLANTIC FREIGHT ASSISTANCE PROGRAM

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the threat of hard times ahead for Atlantic Canada implicit in yesterday's Throne Speech has unfortunately already borne fruit.

I have in my hand a copy of a letter dated yesterday to the Prime Minister from the Premier of Nova Scotia, John Buchanan, written on behalf of the Council of Maritime Premiers in which is raised the serious concern that the Atlantic Freight Assistance Program worth $90 million a year is about to be eliminated or reduced.

I quote Premier Buchanan in yesterday's letter: "According to a 1983 study in a worst case scenario, removal of the Freight Rate Assistance Program will result in job losses in the region totalling 12,100 and annual income losses to the region of $330 million".

The Prime Minister has that letter in his hands today. Is he prepared to assure this House, and through this House, Atlantic Canadians, that the the Atlantic Freight Assistance Program will neither be reduced nor eliminated as a consequence of the budget measures expected shortly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate very much the concerns which the Hon. Member has read out as expressed by the Atlantic Premiers. The Hon. Member is raising a speculative matter. He can understand that it is not possible for me to comment on speculative matters. The question is directed at what or what might not be in the Budget, and the Hon. Member will have to wait until budget time before he can get an answer to that.

Mr. Tobin: Mr. Speaker, I am sending a copy of the letter to the Prime Minister from Premier Buchanan to the Prime Minister.

PROVISIONS OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have a supplementary question. The matter is not speculation. Brian Wentzell, Chairman of the Atlantic Provinces Transportation Commission, informed me an hour ago by telephone that he has met with the senior staff of the four Atlantic Ministers and the senior staff of the Minister of Transport and has discussed this matter. He informs me as well that he has been told that one of the reasons for the eliminationn of this $90 million subsidy is the Free Trade Agreement.

My question to the Prime Minister is the following. Given the Prime Minister's assurances during last November's election that subsidies to the regions would not be affected by the Free Trade Agreement, why is Premier Buchanan writing this letter? Why are senior staff of the four Atlantic Ministers and the Minister of Transport telling the Chairman of our transportation commission that the program is about to be eliminated because of pressure resultant from the Free Trade Agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know exactly what the hon. gentleman is talking about. He refers to some private conversations apparently he had about an hour ago. I am not privy to those conversations. I will be happy to review that conversation with him.

Apparently his respondent indicated that it was because of the Free Trade Agreement, in which case I presume that he was consulting with the Liberals and the financial critic of the Liberals who said that should the

Conservatives touch any programs the move will be blamed by the Liberals on Free Trade even if the trade deal is not to blame. "Every sparrow that falls is going to be blamed on the Canada–U.S. Free Trade Agreement", he said.

* * *

CHILD CARE

REQUEST FOR LEGISLATION

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of National Health and Welfare on the crisis in child care in Canada.

Six months have passed since the election was called and the matter is urgent. Why is there no legislative commitment in the Speech from the Throne to child care, and will the Minister table a new Child Care Act tomorrow?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, in the Speech from the Throne the Government made it clear that it had a commitment to the principle of child care. I suppose the Hon. Member can be excused because she wasn't here and that is why she doesn't recognize that it was the Liberal Senate which was responsible for not having child care legislation today.

Some Hon. Members: Oh, oh!

Mr. Beatty: We would have had this legislation today if it were not for a Senate which my colleague refers to as a Triple L Senate: "Liberal, lazy, and light".

Some Hon. Members: Oh, oh!

Mr. Boudria: You can't say that. Withdraw!

REQUEST FOR ACTION

Ms. Mary Clancy (Halifax): Mr. Speaker, there is a child care crisis in this country and the Minister is trying to blame it on on somebody else. The Government's previous child care strategy failed in most respects to address the reality.

Will the Minister assure us that he will introduce a Bill that is responsive to the very real legitimate concerns of Canadian parents and the needs of Canadian children? Will he do it immediately?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, as the Hon. Member should know, elements of the child care strategy are already in place and are already working to aid Canadians.

Second, the Hon. Member should know that it was her colleagues in the House of Commons and in the Senate who are responsible for the fact that there is not legislation in place today.

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AIR SAFETY

REQUEST FOR REPLACEMENT OF MINISTER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Right Hon. Prime Minister. Canadians, particularly those in my community of Thunder Bay and Dryden, Ontario, know there is a big difference between theoretical concerns over air safety and the shocking realities of an air plane crash.

So far this Government has taken no steps whatever to deal with the crisis in air safety other than having those who pick up the pieces change the reporting structure.

Will the Prime Minister accept his responsibilty for over–all government policy, start the process of rebuilding public confidence in air safety by replacing the Minister of Transport with an individual who is prepared to take charge of his Department and this matter, and restore public confidence?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think it will save a lot of time if I say it in both official languages: I have absolutely no intention of resigning.

[*English*]

Mr. Benoît Bouchard (Roberval): I don't have any intention of resigning.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker, I think we are here in the House to deal with questions in a substantive matter. If the Hon. Member has any questions about air safety, I would be glad to answer them. And especially since Canada is known the world over as having one of the best air safety systems in the world.

Last year, we had over 5,600,000 activities with a minimum of accidents. Mr. Speaker, I believe that Canada's air traffic system works well and that the level of cooperation is excellent.

I may add that since the Hon. Member was referring to the terrible crash at Dryden, I hope he will not try to play politics with air safety.

[*English*]

REQUEST FOR PUBLIC INQUIRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question for the Minister of Transport. We were raising the concerns about air safety long before the Dryden crash. Any suggestion that we are making politics out of peoples' deaths is shocking.

Last week the Minister announced changes to the Aviation Safety Board investigation pattern. He made no announcement whatever about changes to prevent air crashes or air incidences in this country.

• (1510)

Since he seems to be prepared to stay on in the job and the Prime Minister is not prepared to get rid of him, I wish to ask the Minister when is he going to take action to deal with the preventive measures, and when is he going to bring forward a public inquiry into aviation safety in order that once and for all we can get at the root of the problem?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Last week, Mr. Speaker, we gave specific answers to specific problems concerning the question of Gander and the question of Dryden. We also announced a new bill on the control of air accidents, which I hope to introduce this week. I would suggest that is one part of the answer. Whenever an independent government agency will be in a position to guarantee normal operations. . . we do have a prevention mechanism. At the same time, Mr. Speaker, I have at my disposal the resources I think are necessary. However, I made an announcement last week and on Thursday this week I will meet with spokesmen for the pilots, air carriers, controllers, and eventually inspectors, to decide if more can be done with the resources on hand, again with a view to avoiding such accidents as we had to cope with in recent days.

Mr. Speaker, I think we have what we need to proceed. There was a misunderstanding in an agency which does not come under the Government. This House set up the Aviation Safety Board and this House will replace it. As I said, all mechanisms, standards and regulations are available and we will continue to use them as we have done in the past.

[*English*]

MULTICULTURALISM

ALLIANCE QUEBEC OFFICE FIRE

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, my question is directed to the Secretary of State. The predecessor of the Secretary of State indicated that his Department would consider the special and unique needs of Alliance Quebec following the fire at its offices in Montreal on December 31, 1988.

Will the Minister be providing additional funding to Alliance Quebec to ensure that its operations can be restored?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship): Mr. Speaker, as Secretary of State, I am fully committed to promoting Canada's linguistic duality and supporting our official minority linguistic communities. This is a personal commitment.

Organizations such as Alliance Quebec and the Federation des francophones hors Quebec have made a significant contribution to these goals and their communities.

I am therefore very pleased to be able to award a grant of $120,000 to Alliance Quebec.

Some Hon. Members: Hear, hear!

Mr. Weiner: This will help with some of the expenses incurred during the fire. I do want to thank the Hon. Member for his vision and leadership—

Mr. Speaker: The Hon. Member for Haldimand—Norfolk).

* * *

CANADA-UNITED STATES FREE TRADE AGREEMENT

EFFECT ON AGRICULTURAL WORKERS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is directed to the Deputy Prime Minister and part-time Minister of Agriculture.

On November 25, the Prime Minister stated, and I quote: "I want to tell Canadians we shall ensure innovative and generous adjustment and retraining programs will be introduced whenever and wherever required."

In light of this commitment and the fact that the recent de Grandpré Report proposes no special free trade assistance, would the Minister assure the Canadian public that he will reject de Grandpré's "trust don't adjust" philosophy and set up the programs the Prime Minister promised?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I will answer the Hon. Member in the following manner.

The de Grandpré Report has allocated a couple of chapters to the agricultural industry and of course the recommendations are being considered.

It is important for any adjustments that may be necessary to be made in full co-operation with the industry. We have had ongoing discussions with the various marketing agencies, Agriculture Canada, and indeed with the provinces.

I welcome the Hon. Member's interest. I am sure that we will be pleased to invite his participation in this process as well.

SUPPLY MANAGEMENT SYSTEMS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, we believe that the de Grandpré recommendations respecting agriculture are the greatest betrayal to our farming communities since Confederation.

Will the Minister not agree that the supply managed industries have been organized and comply well with GATT rules? Will he not today stand in his place and completely reject the recommendations as they relate to supply managed commodities in Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): I not sure what part of the report the Hon. Member read, or whether he understood the report. As I read it, the de Grandpré commission fully endorsed the concept of supply management, as we do on this side of the House and as we do as a Government. We have never deviated from that.

Mr. Gauthier: You haven't read it.

Mr. Mazankowski: I have read it. I have the two chapters right here in my hand.

The fact of the matter is that the supply management system is in place. What we have to do as a Government and as an industry is to ensure that the systems are preserved and enhanced to take into consideration the realities of the international market-place.

EXTERNAL AFFAIRS

SOVIET UNION—PLIGHT OF REFUSNIK

Mr. Bill Attewell (Markham): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last week I met with refusenik, Mrs. Samoilovich, in Moscow. Her husband George, who is 66 years of age, is dying of cancer. The British Embassy in Moscow extended an invitation for him to be treated at the Royal Marsden Hospital in London, but he still has not received his visa.

I would like to ask the Secretary of State for External Affairs if he would intervene in this particular case with the Soviet authorities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker, I shall.

* * *

VIA RAIL

PRIME MINISTER'S STATEMENT

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is directed to the Prime Minister. I would like to ask him why he made such a fallacious statement about the ridership on VIA Rail, and why did he want to mislead the Canadian public?

[*Translation*]

Hon. Benoit Bouchard (Minister of Transport): All I have to say about VIA Rail and what I have to say concerning the various Crown corporations and the decisions to be made is that they will come at the appropriate time.

[*English*]

FUTURE OF PASSENGER SERVICE

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I can understand why the Prime Minister would not want to answer, so I will direct my supplementary question to the Minister of Transport.

Will the Minister now lift the veil of uncertainty from VIA which was created by the Prime Minister, and reassure the Canadian public that there will continue to be good, comfortable, and efficient rail service in this country?

Hon. Benoit Bouchard (Minister of Transport): Mr. Speaker, I just told my friend that the decision will be made in due course, and that is still the same answer.

AGRICULTURE

PAYMENT OF COMPENSATION FOR DROUGHT

Mr. Vic Althouse (Mackenzie): My question is directed to the Minister of Agriculture and it concerns the drought payment. The four provinces that are due to get the drought payment have been given very limited information. A drought map was produced which went out a couple of weeks ago, but there is no data going with drought maps to indicate what was the basis of the consideration, what was the average production considered for each township, and how the decision was made. This information is important not only for the Auditor General to monitor the program, but for the farmers to decide whether to appeal the situation that they have been put in with that map.

Can the Minister tell us whether the specific data will be made available, and when?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, to correct the Hon. Member, there are not four provinces eligible. There are five provinces eligible; the three prairie provinces, Ontario and Québec.

Second, all the information that was put out in the form of the maps is preliminary. The basic information was all obtained from the provinces, so the provinces supplied the federal Government through their crop insurance agencies with the information on which those maps were based.

The information was based on a loss to coverage ratio through crop insurance records, which was exactly the procedure that we used in 1985 that people did not like.

The maps are preliminary. Once we have final data from the crop insurance corporations we will be in a position to issue final areas that will define how the full payment will be arrived at.

• (1520)

RELEASE OF DATA

Mr. Vic Althouse (Mackenzie): Mr. Speaker, will the Minister tell us how soon the information will be available? There are over 100,000 farm families trying to decide whether to appeal or not. The appeal boards will have to know where that data sits so that they can deal with the appeals. The bureaucrats will have to know what the numbers are precisely so that they can figure out what the payments are.

When will that data be available to the farmers, the appeal boards and the bureaucrats themselves, so that we will know how much farmers can depend on for this coming crop year?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member asks a good question. Let me try to provide him with some good information so in fact he can provide some good information to his own producers.

First, we will not have the information from the crop insurance agency until about the first of May. As soon as we have it it will then be made available through maps. There is no sense in applying for an appeal presently because everybody should know that the data on which the preliminary payments are made is just exactly that, preliminary data.

So, for crying in the bucket, tell your farmers, your neighbors, to wait until we get the final data because the program was designed by farmers. They wanted us to target it. They wanted us to be crop specific. They wanted to get down to the smallest possible area. That is exactly what in fact we are doing. It is a farmers' program, designed by farmers. It is going to be a good program once the Hon. Member sees the full details of it.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to advise the House that I understand that there has been an agreement between the Parties to pay certain tributes. I would ask the Hon. Minister of Energy to commence.

* * *

AIR ONTARIO CRASH

EXPRESSION OF CONDOLENCES

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, on behalf of the Prime Minister (Mr. Mulroney) and the Government of Canada I would like to express my heartfelt condolences and sympathy to the families and friends of those who died in the Air Ontario crash in Dryden, Ontario.

The crash showed to us as Canadians that ordinary Canadians are capable and willing to perform heroic acts. This was done by air flight personnel, as well as by those who attended the crash site. But air accidents also impact on families, communities and our country. It snuffs out the lives of those who were filled with hope and with anticipation. It affects communities and the leadership these individuals have given. It affects people at a personal level. It affects people whose only response can be the question as to why.

One of those families was laid to rest in my home community of Steinbach, a friend, a colleague, someone I grew up with. So I say to them and to all of those affected by the air disaster that our prayers are with them and with their families and that the Government intends to find out and answer the reason as to why.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Like my colleague, it is with sadness that I rise today.

On March 10, 1989, at approximately 12.10 p.m. twelve residents from the City of Thunder Bay, four residents from the district of Thunder Bay, two residents from other parts of Ontario, two residents from Alberta, one resident each from Manitoba, Saskatchewan and British Columbia, and one resident from the United States came to their tragic death as a result of the air crash one kilometre from the Dryden airport.

I refrain, Mr. Speaker, from mentioning their names in respect to the surviving relatives. I am certain that all Members of the House express their profound sympathy to the relatives and close friends of the victims and our hopes and prayers for a full and complete recovery of the survivors.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too want to join with the Minister of Energy (Mr. Epp) and the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) in offering my condolences and those of my Party to the families, friends and neighbors of the victims of Air Ontario flight 1363.

Too often we think that events such as an air crash are something that happen in another country to somebody we do not know. As the word started to trickle through Thunder Bay on the Saturday morning, as the word got out as to who some of the people were on the plane who perished, who survived, one could feel the shock going through Thunder Bay. I know that the Minister of Energy spoke of a friend of his. Well, that friend and his family lived on my street. We were all affected by it.

Even those people who did not know anybody, and in a community of 120,000 people its possible that everybody knew somebody on the plane, came to the memorial services and felt the grief and wondered why. I think that as we all reflect on what has happened, our hearts go out to the victims' families, our heart goes out for the trauma that people have gone through in terms of the survivors.

Our thanks also go out to that wonderful little community up in the bush, Dryden, Ontario, whose people reacted so fantastically. To those who opened their stores to provide food and clothing, to those who looked after the people, to the fire crash rescue people who were on the spot in literally minutes, we say thanks for how you responded and how you opened your arms to your neighbors and friends.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to take this opportunity to relate to you my feelings as the Member for Kenora—Rainy River. On that day, March 10, I was sitting in my office. I heard that this accident had taken place. I was a little numb as to what to do. As a Member of Parliament, one gets a lot of requests and a lot of areas of concern brought forward, but never something of this nature. So I did what I normally do and went by my gut reaction. I flew to Dryden. On March 11 I went to the site.

I would like to tell you, Mr. Speaker, and Members of the House that there are no words to explain how miraculous it really is for those individuals who survived the crash. To those people who did not survive the crash and to their families, I offer my personal condolences and the condolences of the Members of Parliament here.

I would also like to take this moment to ask everyone here to give thanks to those individuals who used their swift action and cool heads to save more lives. Those are the individuals who had the ability to keep a cool head, to get out of that plane to help other people who were trapped and to get into the bush before the plane caught fire. I would like to thank those people who reacted so swiftly in that situation.

I would like to take this opportunity to thank all those volunteers who moved so quickly to try to save lives. It is something that I as a Member of Parliament will never forget. It is not something that I want to forget because as I do my job here for the people of Kenora—Rainy River, I will always remember that accident because I was there. When we talk about safety I think it will be something that I can easily visualize. I will have a better feeling for what it really means. I think we as parliamentarians should always remember what we are really doing here, that is, trying to protect the people we represent. We cannot do that if we lose site of what that really is.

Mr. Speaker: I think that it is probably appropriate if Members would stand for a moment's silence.

[*Editors Note: Whereupon the House stood in silence.*]

Mr. Speaker: I should advise Hon. Members that I have several matters of privilege to hear. Then I will be answering to the House with respect to questions of privilege this morning and to two applications for emergency debate.

I will hear first from the Hon. Member for Edmonton Southeast.

* * *

• (1530)

PRIVILEGE

IMMUNITY OF MEMBERS

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I rise on what I believe is an important point of privilege, one potentially affecting all Members of this House. The issue is the immunity, if any, of Members of Parliament from giving evidence in civil trials against their will.

Your office, Sir, was provided with a letter and copies of relevant documents relating to a defamation action still under way, I believe, in the B.C. Supreme Court in Kelowna. That was at approximately 1 p.m. today.

May I immediately stress, Sir, that I am not raising this point because of any false notion that MPs are or should be above the law, in this case a subpoena, but because I believe strongly that what men and women tell us in confidence in our constituency offices, they do not believe that we are later going to divulge it in a court of law in a civil action. Our justice system affords privilege to most solicitor/client communication. Should we not afford as much to MPs meeting with Canadians?

As to the matter at hand, about two weeks ago, Mr. Speaker, an out-of-province subpoena was authorized by B.C. Supreme Court Justice Patricia Proudfoot. A good deal of correspondence by fax followed which included a legal opinion from our parliamentary counsel, Mr. Marcel Pelletier, asserting my right to be exempt from attending as a witness in a court of law. On March 29, a letter faxed from one counsel to the action indicated that I was ordered by her Lordship to appear in person the next day in Kelowna.

Appearing in court as ordered, I attempted to convince Her Lordship that an irresistible force was colliding with an immovable object. The court eventually ordered me to be sworn, and thereafter in effect directed me to reply to a question to identify a number of individuals who had come to my constituency office in April of 1986.

The court adjourned for lunch when I declined to identify those persons. On reconvening, Her Lordship again indicated I should identify my visitors, but counsel for the plaintiff withdrew the subpoena, for which I am obviously grateful, just before the court ruled on the contempt citation. Her Lordship later said that she had intended to cite me for contempt.

The question in conclusion, Mr. Speaker, is obviously unresolved at least in the Province of British Columbia and probably well beyond. It is important, I believe, for all Members of this House to know what the law is in this matter for all of the provinces of Canada. It is important that Canadians know that they can come to us in our offices and speak to us in confidence and not later have that matter in effect forced out of us in a court of law. I speak only of course of the civil actions. If you find, Sir, that there is a point of privilege, I ask that you would make the appropriate motion.

Mr. Speaker: I first of all want to advise the Member for Edmonton Southeast (Mr. Kilgour) that I have looked very carefully at the material which he filed with the Chair and I will consider the matter with considerable care and return to the House at the appropriate time.

Mr. Gauthier: If the Chair could make copies available to us on this side of the House, we would appreciate having copies so we are aware of what is going on; indeed we are upset by this whole question.

Mr. Speaker: I will arrange to comply with the request.

VALDEZ OIL SPILL

Mr. Jim Fulton (Skeena): Thank you, Mr. Speaker. Since Question Period, I have had the opportunity to speak with the Minister regarding motions, and there is an important matter of fact that I wish to address in terms of privilege. The Minister of the Environment (Mr. Bouchard (Lac-Saint-Jean)) and the Minister of Transport (Mr. Bouchard (Roberval)) referred to the figure provided, I take it, by the U.S. Coast Guard of the slick known as the Valdez slick as being 1,000 kilometres from the nearest point of British Columbia. I have here with me—it is not the easiest thing to use in the House, Mr. Speaker, but it is a Department of Energy, Mines and Resources, Surveys and Mapping Branch which includes all of Canada, but in particular—

Mr. Speaker: I wonder if the hon. member would allow the Chair to interrupt him, not because this is not a very serious matter, and I might suggest to the Hon. Member it can be discussed perhaps later, but I have to say to the Hon. Member that it is not a question of privilege, and I think that it would not be appropriate to continue at this time, and depending on what happens later today, I may hear the Hon. Member further.

Mr. Fulton: Yes, but keeping in mind what you said, Mr. Speaker, I just want to make one point clear because I think the Ministers may well want to respond to it because there are trans-boundary rivers—the Alsek, Tatsenshini, the Stikine which are in fact parts of—

Mr. Speaker: Well, the Hon. Member's geography is exact and I can assure that those rivers are just where they are and I know exactly what the Hon. Member is worried about, but as I say, it is not properly a question of privilege. Perhaps the Hon. Member will have a chance later for further discussion.

Mr. Boudria: But it is a good point.

* * *

POINT OF ORDER

ALLEGED COMMENTS DURING QUESTION PERIOD

Mr. Milliken: Point of order, Mr. Speaker. During Question Period today, the Minister of National Health and Welfare in one of his answers, and I am sorry he has left the House, this is one of the problems of this rule, but the point of order must be raised after the Question Period—

Mr. Epp: Give notice, it works.

Mr. Milliken: I did give notice. He left for a meeting, but I will raise the point and he can reply to it another day. He gave an answer to a question, Mr. Speaker, which in my submission violated Rule 18 of the Standing Orders which states that no Member shall speak disrespectfully of a sovereign nor of any member of the Royal Family or so on, nor use offensive words against either House or any member thereof. Mr. Speaker, in my submission the answer given by the Minister contained references to the other place which in my submission were contrary to the words and the spirit of Standing Order 18, and I would respectfully request that the Minister take the appropriate steps when he returns to the Chamber.

Mr. Speaker: I have heard the Hon. Member and I am very familiar with the rule. Perhaps now that the Hon. Member has raised the matter, we will adjourn until we have a chance to hear what response there may be from the Minister. I thank the Hon. Member.

* * *

MOTIONS TO ADJOURN UNDER S. O. 52

SPEAKER'S RULING

Mr. Speaker: I advised the House that I will return with respect to the matters raised this morning which received very careful attention indeed. This morning I received applications for emergency debate under Standing Order 52 relating to three separate items. I ask the indulgence of the House and I want to refer to the privilege motions first.

I have now had the opportunity to review the alleged question of privilege raised earlier this day with the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) relating to the fact that Bill C-204 has yet to be proclaimed. I am unable to find that the Member's privileges have been infringed by this circumstance. The Hon. Member may remember that I did indicate that at the time of his argument.

In relation to the alleged question of privilege raised by the Hon. Member for Prince Albert—Churchill River (Mr. Funk) regarding the timing of drought payments, I will again reiterate the point I made earlier this day that while the Member may feel that he has indeed a grievance in relation to this matter, and I think at the time so may his constituents and others, I cannot find that his privileges as a Member have been breached. I therefore cannot find a prima facie question of privilege.

I point out to the Hon. Members, and to the public who is listening, that there is of course a difference between a grievance and a question of privilege. Privilege can only be sought and claimed when indeed something has been done which actually does impair the capacity of the Hon. Member to carry on their duties, and I find that in these cases that is not the situation.

As I started to say, this morning I received applications for emergency debates under Standing Order 52 relating to three separate items: The matter of aviation safety, the removal of oats from the jurisdiction of the Canadian Wheat Board, the oil spill outside the Port of Valdez.

Let us deal first with the question raised by the Member for Glengarry—Prescott—Russell (Mr. Boudria) and the Member for Thunder Bay—Atikokan (Mr. Angus) on air safety.

• (1540)

[*Translation*]

First I should like to quote from page 18 of *Hansard* for February 18, 1972 when Mr. Speaker Lamoureux stated:

> I believe Hon. Members will recognize that it would not be easy to justify adjournment of the House under Standing Order 26 at the very moment when we have before us the debate on the Address in Reply to the Speech from the Throne. . .

[*English*]

The reason for this caution on the part of Speaker Lamoureux, and indeed other Speakers in the past, is that during the Throne Speech debate it is an easy matter for Members to debate subjects over a wide area and it is difficult, therefore, to meet the criteria required for an emergency debate under Standing Order 52(5) which states:

> In determining whether a matter should have urgent consideration,. . .the Speaker shall have regard to the probability of the matter being brought before the House within reasonable time, by other means.

[*Translation*]

If I may repeat the last sentence, I must have regard, and I quote:

> to the probability of the matter being brought before the House within reasonable time, by other means.

[*English*]

In the case of air safety, and also the case of removal of oats from the jurisdiction of the Canadian Wheat Board, where the matter may be brought before the House by other means, I do not find that the criteria of Standing Order 52 have been met, and I will not therefore allow an emergency debate at least at this time.

However, in relation to the matter raised by the Hon. Member for Skeena (Mr. Fulton), I do find the criteria of Standing Order 52 have been met. The matter proposed for discussion does relate to a genuine emergency, calling for immediate and urgent consideration.

I therefore set the matter of the oil spill outside the Port of Valdez down for debate at 8 p.m. this evening.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her speech at the opening of the session.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I move that the debate be now adjourned.

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The debate is therefore adjourned.

SITTING SUSPENDED

Mr. Speaker: An emergency debate will commence at eight o'clock this evening. The House will open tomorrow at two o'clock. Is it agreed?

Some Hon. Members: Agreed.

The sitting of the House was suspended at 3.45 p.m.

[*Editor's Note: For continuation of proceedings see Volume B.*]

HOUSE OF COMMONS

Tuesday, April 4, 1989

[Editor's Note: Continuation of proceedings from Volume A.]

SITTING RESUMED

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 52

[English]

ENVIRONMENTAL AFFAIRS

VALDEZ OIL SPILL

Mr. Speaker: The Chair has granted leave to the Hon. Member for Skeena to move the adjournment of the House pursuant to Standing Order 52 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the oil spill which occurred outside the Port of Valdez. Accordingly the motion is as follows: Mr. Fulton, seconded by Mr. Riis, moves "That this House do now adjourn".

I should say to Hon. Members and the public that in effect this is an emergency debate which has been applied for and has been granted by the Chair with respect to the oil spill in Alaska and its consequences, possible or otherwise. Accordingly that is why we are debating tonight when ordinarily we do not sit in the evenings. I recognize the Hon. Member for Skeena.

Mr. Jim Fulton (Skeena) moved:

That this House do now adjourn.

He said: Mr. Speaker, I think this is a very important and timely emergency debate not only because of the pending problems that coastal life is having right now as a result of the Alaska spill, but in relation to a number of other spills that have occurred recently on the west coast of North America affecting British Columbia.

It is important to have an historical understanding of how the Port of Valdez came to be where it is and why the north slope crude is coming from there and on down the west coast of North America. It was in 1972 that this debate was really in full flight in British Columbia. Of course the consensus among British Columbians at that time, including that of the then Premier of British Columbia, the present Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett), was that there should not be tanker traffic down the west coast of North America carrying that crude. There were other suggested means of moving that oil, rail being one example.

We know that at that time it was reported quite widely in Canada that the U.S. Coast Guard predicted that there would be two million litres of spills annually on the west coast of North America as a result of this route having been chosen from Valdez out of Prince William Sound, down the coast of British Columbia to the ports in the northern United States, in California, and some down through Panama. However, a decision was made to go ahead and construct the port and to start moving U.S. flag tankers. They move only under the Jones Act. These are American flag and crude vessels.

We have seen a series of catastrophes in the last 18 months. I think it is important that we have that in chronological context before dealing specifically with the Valdez spill.

The most recent and the worst is the Exxon *Valdez* spill. Prior to that there was a 186-tonne spill from the barge that was going into Grays Harbour on December 22, 1988, which ended up on the west coast of Vancouver Island.

Prior to that, on October 4, 1987, a vessel known as the *Stuyvesant* spilled 600,000 gallons into the water off the Queen Charlotte Islands, but it drifted westward and did not come on to the shores of the Queen Charlotte Islands. However, it is interesting that this this same vessel, the *Stuyvesant*, continued to ply those waters, and I quote from the material provided to me by the Library of Parliament:

> For the second time during 1987, the U.S. tanker *Stuyvesant* sustained structural damage in heavy weather while departing Valdez, Alaska, en route to Puerto Amuerelles, Panama, and spilled more than 600,000 gallons of Alaskan crude oil into the Gulf of Alaska. This is the first time that a single ship has been responsible for the two largest oil spills off the U.S. coast in a single calendar year. It is also the first time that a single ship has caused two major spills in the same geographical region for the same general reason within a relatively short period of time–less than ten months.

The Government of Canada did nothing to respond to the crisis that clearly existed in terms of tanker technology. It is becoming increasingly clear, as I think Hon. Members will realize if they listen to me this evening, that some of the corporations which are involved such as Exxon, Sohio, Standard, and others, are doing little other than acting as corporate goons when it comes to their real concern about the environment.

Briefly on the Grays Harbour spill, the barge that was being pulled by a tug on December 22 hit a sand bar as it attempted to go into Grays Harbour, and the environmental protection people from the State of Washington ordered the tug and barge offshore. Rather than having it come in where it could be safely contained, brought on shore and pumped out, it was sent offshore. Rather than even taking the normal precautions that one would expect the U.S. Coast Guard to advise them of, which is to try to curl the slick into a containable area, they went in a straight line and almost the entire slick ended up on the west coast of Vancouver Island. This is where we started to find most clearly what I describe as the "Don't worry, be happy" attitude of the Government of Canada.

The Canadian Coast Guard and the Minister said: "Don't worry, be happy, the slick is going to go offshore," even while it was continuing to be monitored as moving toward one of our national parks, Pacific Rim National Park and Long Beach, where a very large chunk of it ended up. That slick is continuing to come ashore, as we stand here this evening, up as far as Nootka Sound.

That spill happened to be Bunker C which is not as toxic, bad and persistent as the oil spilled by the Exxon *Valdez*, but it has done considerable damage. It has killed thousands of birds and seals. It has damaged inter-tidal life such as clams and near-shore animals such as crabs. Eagles have died as a result of eating polluted and contaminated materials on the beaches.

As we found in that case, it was volunteers from British Columbia who did the majority of the work. Hundreds of them turned up, and I think the House of Commons owes them a debt of gratitude for having turned up in the numbers that they did.

Some Hon. Members: Hear, hear!

Mr. Fulton: We have to keep in mind that it is the federal Ministry of Transport which is the lead Ministry. It is the Coast Guard which is under the administration of the Ministry of Transport that is the lead agency in Canada for marine oil spills.

Of course, interestingly enough, just today, the Minister of Transport (Mr. Bouchard) released the Maritime Pollution Compensation Fund report to which I will refer a little later this evening as soon as my friend digs it out of my material here.

The Coast Guard never actually co-ordinated anything, in my view. The Provincial Emergency Program, PEP, never co-ordinated anything. In the State of Washington, the U.S. Coast Guard got involved in what I describe as horizontal administration of the spill. It arranged for taxis, for dry cleaning, for hot food, and for training. It had plastic bags and all kinds of mobile equipment and so on. It had several thousand volunteers cleaning up the smallest part of the Grays Harbour spill that ended up on Washington soil. In British Columbia, there are still tonnes and tonnes and tonnes of it.

I held a task force in Vancouver just a few weeks ago and people came all the way down from northern Vancouver Island. They had taken days off of work. They had rented their own vehicles and bought their own equipment. In just one day they gathered 6,000 pounds of Bunker C off one little beach, and there were eagles flopping around in the bush covered with oil from eating contaminated foods. They could not fly. They were there to starve to death. That is the legacy of the Souse Brothers and the Coast Guard response and everyone saying "It's not really our jurisdiction; we can't really do anything".

I was appalled and continue to be appalled at how the Government of Canada and the Government of British Columbia responded to the real need to co-ordinate volunteers. Why were the 75 professionally trained Department of National Defence personnel from Esquimalt not out there? Why did the Government never send them out?

Cleaning up oil spills is a tough, dirty job once it gets on the beach, and that brings me to the real reason for this evening's debate, which is what happened with the Exxon *Valdez*. It is something we have to look at very carefully. If we track the *Stuyvesant* we find inadequate, dangerous tankers going up and down our coast. The U.S. Coast Guard predicted an average of two million litres a year in spills during the lifetime of the Valdez traffic up and down our coast. We have to look carefully at that.

On March 24, the Exxon *Valdez* pulled loose. Apparently the captain was intoxicated. At least that is what has been reported. The man deserves a trial, and I assume he is going to get it fairly soon, as soon as the warrant is served and he is arrested. The third mate should not have been at the wheel.

• (2010)

The real environmental criminals in this issue are the ones who are at the top, Frank Iarossi for one. There need to be laws in this country, laws in the United States, and international laws around the world to deal with the Iarossi of this world.

For three days after the Exxon *Valdez* ran on to Bligh Reef nothing was done. I have spoken to oil spill experts. Frank Iarossi never picked up the phone and asked for containment booms from Canada, from Alaska, from Washington, from California, or from Hawaii where Exxon had another spill of 125,000 litres. There was another massive spill in Antarctica. Of course it is the B.C. coast that has been getting the most recent spills.

However, what did Exxon do? For three days there was no wind, no problem. The oil was still in Prince William Sound. That vessel should have had at least three containment booms around it and the slick lickers should have been operating around the clock cleaning up the oil. That spill is now 2,700 square kilometres, which is half the size of the Province of Nova Scotia. It is a monster and it is starting to come out of Prince William Sound. Prince William Sound is basically contained by islands, but the oil is now pushing its way out through Montague Strait passed the Bligh Reef. As it moves out, pieces of the spill are peeling off and are moving south westerly, according to Exxon this evening.

A northerly wind is blowing over the height of land from Cook Inlet down toward Prince William Sound, keeping the oil from going on to the coast. We now have 750 miles of coastline either dead or dying. The seal otters are dying. The seals are dying. The whale pods are moving through and the blow holes are polluted. The herring are contaminated. The crabs are contaminated, and then there is our halibut, the eggs of the halibut. As you know, Mr. Speaker, the eggs are laid on the ocean floor of the Queen Charlotte Islands. They hatch and go up and live as worms near the surface of the ocean. They drift up into the Panhandle of the Gulf of Alaska. They live near the surface.

An oil slick that size is killing hundreds of millions of juvenile halibut. Our dungeonness crabs, which everyone from the State of Alaska to British Columbia loves to eat, live as juveniles in the surface waters and float along on those currents that move up along the Aleutians and with the Kiero Shield current down of the Queen Charlotte Islands. Death and destruction is massive.

I am serious when I say people like Frank Iarossi are environmental criminals. They are the ones who should be before the courts, not Mr. Hazlewood. Exxon knew he had a drinking problem. Why did Exxon have someone with a serious drinking problem at the head of VLCC carrying that kind of uncontainable damage and destruction if it ever got into the west coast and its environment?

My friend reminds me of something. Why wasn't there a pilot vessel guiding the tanker out of Prince William Sound? Why? It is always the bottom line for the big tanker companies and big oil companies. Why wasn't the *Valdez* guided out to clear water? Why was the third mate there? The captain was below deck, possibly intoxicated, because Exxon management did not have the kinds of enforcement mechanisms in place to make sure something like this did not happen.

I come now to one of the discouraging parts: how our own Coast Guard and our own Ministry of Transport, the lead agencies, have handled the situation today. We have now heard, almost on a daily if not an hourly basis since March 24, "Don't worry, be happy. The spill is 1,000 kilometres from Canadian territory". As I pointed out today, every Member of Parliament gets an atlas sent to his or her office. There is a map in it from Energy, Mines and Resources. As I pointed out, the mouth of the Alsek River is 200 miles from where the slick is as it comes out of Montague Sound. One would have to be a highly suspicious person— and, Mr. Speaker, you know I am not—but some gerbil somewhere decided "Well, let's keep the public calm. Tell them it is so far away it is out of mind. Nobody needs to worry about it". That is amazing. I know that British Columbia exists at about the latitude 54. If I had been alive in 1903, the Panhandle would have been part of Canada.

Some Hon. Members: Hear, hear!

Mr. Fulton: I do not know why the 1,000 kilometre figure continues to be used. It was used right until today. We know that it is not even 100 kilometres from Montague Sound to the Queen Charlotte Islands. I do not know where this mysterious 1,000 measure comes from. I do know that 750 miles of coastline is now covered. The distance to British Columbia from the slick, where it is starting now to purge itself out of Prince William Sound and out of Montague Sound, is 200

miles to the Alsek River. We can do something to protect the Alsek River. This should be done now, not when the slick hits the mouth of the Alsek. You have containment technology now in case there is a glitch, a hitch, a windy day, or somebody gets sick. We have to plan so that we can deal with containing these kinds of things. The Alsek should be protected. The Tatsenshini should be protected. The Taku should be protected. The Stikine should be protected.

Some Hon. Members: Hear, hear!

Mr. Fulton: We also have a military base at Massit, a Department of National Defence listening device. We should be stockpiling some equipment there. We should be stockpiling it at Prince Rupert where there is a Coast Guard base. We should be ready because the vital, determining factor as to whether or not the largest spill in North American history ends up on our coastline in British Columbia is wind, w–i–n–d. The current off the mouth of Montague Sound and Prince William Sound moves upward and along the Aleutians. The Kuro Shio current below that comes across from Japan and brings debris like glass and garbage to the coast of the Queen Charlotte Islands.

Wind is the important factor. Exxon, the Coast Guard and everybody else want to say that wind is not the factor, but what happened on the fourth day after the spill, March 28? The wind was blowing at 100 knots, 100 kilometres an hour, at the site of the spill. If a northwesterly or a northerly wind picks up, which is very frequent at this time of year, and sustains itself not for weeks but for a matter of days, parts of that oil slick can and will reach parts of British Columbia. There is no use in then having the Minister of Transport phoning Vancouver saying: "Send a ship". It is 500 miles to get to the Queen Charlottes, and it is another 400 miles to get up to the Alsek. We are talking about considerable distances, and planning is required. We can hope the wind does not start blowing that material up on to our shores.

Many things need to be done. Some are very serious and some involve technical planning. It is reasonably clear with the amount of tanker traffic—*Valdez* tanker traffic, traffic in the Strait of Juan de Fuca, traffic into the Vancouver and Victoria harbours, traffic into Prince Rupert, traffic on the east coast where there is far more tanker traffic, hundreds and thousands of large freighters and tankers, transit off Newfoundland, New Brunswick, Prince Edward Island and Québec every year. We need a royal commission to look into the safety of tanker traffic and to find out whether or not our regulations are the best they can be and whether or not the proper enforcements are there. We know they are not there right now. We need to have that done. We need to evaluate the present impact on Canadian resources.

As I said, Canadian resources are being affected now, today. Canadian salmon from our transboundary rivers are being affected now. Herring stocks upon which they feed are being affected. That situation needs to be evaluated. We need a scientific team. We need to evaluate potential areas in the track of the spill. This means the rivers I have enumerated, plus the Queen Charlotte Islands and the coast to the South. We need to prepare and move the clean–up and containment equipment about which I have spoken in the transboundary rivers to the Queen Charlotte Islands and Prince Rupert.

We must take steps now that we began in 1972 to stop Valdez tanker traffic. What was said in 1972 is true today. There will continue to be spills of this size according to the trajectories projected by the U.S. Coast Guard 17 years ago.

• (2020)

How do we go about that? It is going to mean some difficult and costly decisions, but intelligent people and intelligent legislators take those types of steps. Tightening of regulations and enforcement for a system that is clearly out of control are obviously on the list.

I hope later this evening to speak about an even broader issue, the whole issue of the use of fossil fuels in North America. The whole of North America has 5 per cent of the global population. We consume 25 per cent of the fossil fuels consumed on the planet. The U.S. and Soviet Union together produce 50 per cent of the greenhouse gasses on this planet.

If we are to maintain the atmosphere and the environment that we have and have had for geological time, we have to reduce greenhouse gas by 50 per cent. Perhaps the Valdez spill is a signal to us to shut down these types of developments and get on with energy efficiency and conservation programs in order that we have a habitable an liveable planet.

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, it is timely and appropriate that the Hon. Member for Skeena (Mr. Fulton) has urged upon you a special debate regarding this very serious tragedy which occurred in Prince William Sound as a result of an oil shipment from Prince William Sound to the southern states of the U.S. It reminds Canadians, Americans, and British Columbians particularly of the tremendous responsible that we all have to ensure that in a society where we all depend on oil and energy in one form or another there are great risks associated with the transport of this energy. We must have confidence in the systems in place and assurance that the precious natural habitat and amenities of nature are not threatened by a tragic disaster of this magnitude.

To put this spill in context with another recent spill, the Grays Harbour spill as the Hon. Member for Skeena referred to it, this spill is some 50 times larger in magnitude, and it amounted to only about a fifth of the total capacity of this vessel being spilled in the early morning hours of Good Friday about ten days ago.

As a British Columbian, and as the Minister responsible for Fisheries and Oceans for Canada, Mr. Speaker, I can only tell you that we are not merely standing passively by and watching. We are certainly concerned. I would like to think Hon. Members opposite are as concerned as their spokesman was in his lead speech a moment ago. There is no monopoly in this House on concern for our precious habitat and for the necessity to ensure that this type of accident shall never occur in British Columbia coastal waters.

We have to be precise when we are discussing this very serious issue. I know there is room for a lot of emotion. In particular, I am concerned about the possible threat to our own British Columbia fisheries and marine mammal stocks, if this spill were to move in a direction where it might endanger the biological species and the precious values that we cherish so highly in British Columbia.

The Hon. Member for Skeena does the House a disservice when he makes statements, as he did in his letter to you this morning, Mr. Speaker, which are not true. It is important to recognize that at the present time, based upon the advice of our best scientists, oceanographers, and meteorologists, the oil spill is not moving toward Canadian coastal waters or the Canadian mainland. In fact, at the present time, the oil spill is moving to the southwest out along the Aleutian Peninsula and into the high north Pacific. I know that it is a great concern. We are all concerned that the 750 miles of shoreline within Prince William Sound has been hit with this disaster. We do not like to see the pictures of sea otters, marine mammals, and birds coated with oil and dying.

If we are going to assess this tragedy and learn from it, it is important that we tell the facts as they are. The Hon. Member for Skeena in his letter to Your Honour this morning stated: "the oil spill is clearly moving toward Canadian waters and the Canadian shoreline". It is important in the House that we give the facts accurately, and in fact that is not true. He further asserted in his letter to you that we must "mobilize the Canadian response to this spill as it damages our resource and moves toward Dixon Entrance." These statements are not true.

I can assure Canadians, as the Minister responsible for the Canadian Hydrographic Service and our Ocean Sciences Divisions that based on their direct observation and aerial surveillance—and I have full confidence in the accuracy of these facts when they were relayed to me—the oil from this tragic spill is not moving toward Canadian waters or toward our shoreline. I repeat, the oil from the tragic Valdez disaster is not moving toward the Canadian shoreline.

The oil spill from the Exxon *Valdez* has spread very predictably following the known current patterns, and as it has emerged from Prince William Sound and the Gulf of Alaska it is moving westward. I am sure the Hon. Member for Skeena and all Members opposite are familiar with the shape of the movement of the oil as of yesterday to the West.

Initially the spill spread generally southwest with the outflow within the Sound. Once it escaped from the Sound it was caught up in the large circulation which is characteristic of the northeast Pacific at this time of year. It is counter-clockwise, moving from east to west along the northern edge of the gulf.

I am not trying to diminish the problem. I am just trying to underscore the facts. It is imperative that Canadians be assured at this time that on the basis of all our best scientific evidence the spill is not moving toward the Canadian shoreline. Indeed, the predictions that have been made are holding true. The oil is presently due south of the west edge of Resurrection Bay. There are no signs of any oil west of that point. In consequence, I can say with full confidence that the oil is moving to the west and not toward Canadian waters, nor toward Dixon Entrance which is in fact more than 1,000 kilometres away.

I also want to make an observation on the intervention of the Hon. Member for Skeena. It was a legitimate and appropriate observation to make in the House this afternoon when he suggested that the spill might be a cause for concern with respect to the Alsek River. I am not sure if the Hon. Member for Skeena knew where the Alsek River was before. It is in the extreme northwest corner of the constituency of the Hon. Member. It is a short river with a bay called Dry Bay within the Alaskan Panhandle on the northeast Pacific. This river extends across the narrow section of the Alaskan Panhandle into Yukon and into northwestern British Columbia, and it splits into two rivers.

There is no evidence that the spill is moving in the direction of that river. The Member says that it might, and I grant that there is always a minimum probability of anything. The officials, the scientists, the officials of the Coast Guard, and the Department of the Environment who have advised Ministers are quite convinced that it is highly improbable that this oil spill will move in that direction toward the Alsek River.

• (2030)

It is important to understand that transboundary rivers such as the Nass, Taku, and Stikine, contain migrating stocks of salmon. In the mid-summer to the late autumn, adult salmon return to those rivers. Should there be an accumulation of oil in the mouths of those rivers, which are in American territorial waters, there would be a possible damage to such salmon stocks, some of which return to Canadian headwaters and spawning grounds. They are the property of Canada. This is not August, September, or October. That does not give me any more comfort in respect to the spill, but there is no immediate danger to returning Canadian salmon stocks, nor is there a danger to the young fry that have been hatched in the upper waters of those rivers. I am told by our best fishery biologists that the young fry will not migrate down toward the lower reaches of the river and the salt water until at least July.

I am not diminishing the significance of the issue the Hon. Member has raised. I am suggesting that to focus this matter as a crisis because there is an assumption the oil is moving in the opposite direction to which it is moving is irresponsible.

As to the response of the Government of Canada to this environmental tragedy, I can assure Canadians that our response to this date is exactly what they would expect from a Government.

Some Hon. Members: Hear, hear!

Mr. Siddon: Members opposite are accustomed to taking half sentences and interpreting them out of context.

Canadians would expect a Government to place the highest priority on protecting our natural resources and environment. That was the message of the Throne Speech yesterday, and it is a strong commitment of this Government.

An Hon. Member: All words, no action.

Mr. Siddon: The action is ongoing and has been since the early morning of Good Friday, ten days ago. We are extremely concerned about the spill which has occurred in Alaska and the environmental consequences on the people of Alaska, on the marine life they enjoy and depend on, and on the wildlife of the area. We British Columbians share with our Alaskan neighbours a very real sense of loss and of alarm. We certainly would not want to allow a situation where such a spill could occur within our own coastal waters.

Second, I can assure Canadians that their Government is now and has been, since the disaster was first reported, vigilant in monitoring the efforts of U.S. authorities who are responsible for controlling the spill; vigilant in monitoring the oceanic and climatic factors which can affect efforts to control the spill; and vigilant in tracking the movement of the oil. I can assure Canadians that we are in a state of readiness to respond.

Some Hon. Members: Oh, oh!

Mr. Siddon: Hon. Members opposite laugh, but I can assure them, and the Hon. Minister of Transport (Mr. Bouchard) will add further evidence of this—

An Hon. Member: He is in pretty good shape.

Mr. Siddon: They choose to be sceptical. The facts are that we are equipped to respond and, if need be, we shall respond to any necessary measures. I should point out that we have offered and given assistance to the Americans in the clean-up of Prince William Sound. We have offered and delivered assistance toward that end.

An Hon. Member: You haven't invoked the treaty.

Mr. Siddon: The Hon. Member will take his opportunity—

Mr. Speaker: Perhaps I do want to restate that the reason we are having this emergency debate is that there is a matter of great urgency. I know that all Hon. Members would want to hear from all those who wish to contribute to this debate. I am sure the Hon. Members would want to extend the appropriate courtesy to the Minister who is responding to the Hon. Member for Skeena who led off the debate.

Mr. Siddon: I think all Members will want to be attentive through the entire evening, and I appreciate the co-operation of the members of the Opposition.

We are prepared to take whatever steps may be needed to protect Canadian waters and shorelines if this oil should move toward us, which it has not.

We have provided the services of our respected herring biologists to assist the United States in planning measures to protect the herring which spawn in Prince William Sound. We have provided technical devices to help the United States track the presence of oil in the waters throughout the threatened area. We have provided the authority needed to bring oil-soaked otters from Alaska. I personally signed the authorization last Friday to bring oil-soaked otters to the Vancouver Aquarium to be treated and rehabilitated. This was a request received from wildlife officials in the State of Alaska. We are sending our specialists in this very sensitive discipline to Alaska to assist in saving as many marine mammals and species as possible.

We have taken these actions—

An Hon. Member: Did you give them an air ticket?

Mr. Siddon: Obviously opposition members do not want to hear what the Government is doing. They are just trying to exploit a situation for cheap political reasons that we all very much regret.

I can assure the House that this Government stands ready to deliver additional assistance as is required and to ensure the protection of our own coastal habitat.

In response to some points the Hon. Member for Skeena has raised, our scientists advise us that our herring stocks live very close to shore and do not migrate north into U.S. waters. Our scientists advise us that the salmon fry in Canadian waters are not at this time endangered in any way. They acknowledge that halibut spawn and that similar groundfish species and pollock which reside along what is called the margin of the Gulf of Alaska Continental Shelf may, as they mature, swim into Canadian waters. If the oil spill were to remain in the Gulf of Alaska for an extended period of time, there might well be some damage to the halibut stocks which eventually will become part of the Canadian fishery.

We were assured by our scientists that our marine mammals, our seals and sea otters and sea lions from further south that live in Canadian coastal waters, would not be affected by this spill. We are certainly concerned about the whale populations which do not respect international boundaries. They are so precious to the people of British Columbia, in particular our orcas and grey whales. There is an absence of scientific knowledge on how these species travel and how they would be affected by surface oil slicks. We are certainly vigilant. This is an unprecedented situation, never before encountered in this magnitude. We have a great deal to learn. I acknowledge that to the House.

• (2040)

If the oil which is not now moving in our direction were to change course and to threaten our shores, I can assure the House, and Canadians that we would act efficiently and quickly in accordance with a well thought out response plan, which the Government has developed and which other Ministers will describe later this evening, to respond to this kind of emergency.

Oil spills occur from time to time in Canadian marine waters, to our great sadness, but we are a nation which depends on oil. I do not imagine there is a Member opposite who will not return to his home tonight without using a little bit of hydrocarbon to get there. My Department's roles during these kinds of emergencies emanate from my responsibilities; first, to protect fish, marine mammals, shellfish and marine plants, and their habitat. Second, they are to ensure the wholesomeness of the fish products. Third, they are to provide scientific information and advice relating to the marine environment. Key actions taken by Fisheries and Oceans at the time of any spill are numerous and varied, but we are always on the scene as quickly as we know that there is a need to be there.

Under the National Marine Emergency Plan, co-ordinated by Transport Canada, we provide the on-scene commander appointed by Coast Guard, forecasts and climactic information on the physical state of the ocean, advice on oil spill movement, and on trajectory and revisions to trajectories based on currents, tides, waves and winds. We also provide the location immediately of critical fisheries resources and the timing and location of fishing activities that have to be taken into consideration.

My Department also can conduct emergency resource surveys and analytical measurements of oil, as well as the measurement on site of tides, currents, waves and temperature. We ensure that adequate ship facilities are provided to all agencies involved in the emergency operations which require it. We always have a Fisheries and Oceans vessel on site wherever there is any cause or need for them to be present.

Mr. Speaker: I hesitate to interrupt the Minister who is first to respond to the Hon. Member for Skeena. We are bound, of course, in this place by rules, and there is a time limit. However, if it is the wish of the House to allow the Minister to finish, of course we can do so.

I think the Minister can continue.

Mr. Siddon: Mr. Speaker, I will leave it to the Hon. Minister of Transport to describe the form of action planned with respect to containing and ensuring vessel traffic management to protect Canadian shores from a spill of this sort. I want to assure all Canadians who are watching this debate that they can have full confidence in their Government, that the Government is prepared to respond appropriately, and that in my area of responsibility we provide the scientific and resource assessment services that are required immediately.

I can assure you, Mr. Speaker, and the Canadian people once again, that there is no evidence that this spill is moving toward Canadian coastal waters. There is no evidence at this time of any significant impact of this horrendous event on our own coastal species of fish, of marine mammals, and of other living things. I trust, as the days go by and as we watch these events unfold, that we will continue to have the confidence that Canadians should have in the ability of the Canadian Government to lead and to respond to protect the interests of all Canadians in such circumstances.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is a timely motion. I welcome, as do we all in our quarter of the House, the relevancy and the urgency of this debate. In particular it is an urgent question on the west coast of Canada, particularly in those waters on the west coast of northern British Columbia bordering on the Alaska Panhandle and on the sovereign State of Alaska.

I must say that we expected at the outset to hear from the Minister of Transport (Mr. Bouchard). He was not here. The Minister of Fisheries (Mr. Siddon) got up, but after listening to the Throne Speech yesterday wherein one and a half to two pages was dedicated to environmental matters, the new environmental priority, the new environmental preparedness, I think the Minister of the Environment (Mr. Bouchard) should be here to respond to this issue tonight.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What we have is an environmental disaster of monumental proportions on a world scale, something we have never seen not only off the west coast of North America, the west coast of British Columbia, but something we have not seen since oil has been transported by sea. Because of the so–called environmental concerns of this Government, the Minister should have been here in the House of Commons. He was here this afternoon. He should have replied.

Some Hon. Members: Hear, hear!

Mr. Charest: I rise on a point of order, Mr. Speaker. Believe me, it is with great regret that I rise on a point of order, especially considering the fact that it is the Right Hon. the Leader of the Opposition who (Mr. Turner) is speaking at this point in time. However, I cannot honestly let go the comment that he has made on the absence of the Minister in the House when in fact the Minister will be here to speak on this very important issue and when in fact the Member, and all Members, know very well that such a remark is against the rules. I want to point out clearly and unequivocally that the Minister of the Environment (Mr. Bouchard) will speak on this issue tonight in this debate.

Mr. Speaker: Perhaps I could respond to the intervention of the Hon. Minister. I know that the Right Hon. Leader of the Opposition will not take it amiss if I suggest to Hon. Members that the Hon. Minister has stated the rule. Whatever doubt anyone may have had about the concern of the Hon. Minister, it has certainly been replied to by the Minister who said that the Hon. Minister of the Environment will be in the Chamber to speak this evening. I would ask Hon. Members to remember that all of us sometimes have to be elsewhere than in the Chamber.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are living here, and I will say this to the Hon. Minister who could better spend his time at the Dubin inquiry—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am going to say to the Hon. Minister that this is not a presidential style of government when Ministers come in at their own pleasure in their own time. This is a parliamentary Government in which the Minister should be listening.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If he had any other engagements this evening he should have set them aside. This is an environmental tragedy and this Minister should be here to listen to the Members of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I do not usually draw attention to the absence of Ministers, or even the Prime Minister (Mr. Mulroney), when he has important issues of state—

Mr. Charest: Or your own absence at one time.

Mr. Turner (Vancouver Quadra): When I have to be here I am here, and on an environmental occasion this Minister ought to be here.

It is quite clear that this is not the first time that this has happened. On December 22, we had an oil spill off the State of Washington. There was damage then to birds and to sea life and the coastline of Vancouver Island. At that time, despite the meagre entreaties of the Minister of Fisheries—and we will wait to see what the Minister of Transport has to say, and if the Minister of the Environment shows up, fine—there was no action by the Government of Canada at all. It was not prepared. If it had not been for the residents of the area that would also have been a disaster, and they know it.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister of Fisheries made a very complacent speech. He said that on the basis of the current winds and the current tides we have nothing to worry about. I would far rather rely in this instance on the first-hand knowledge of the Hon. Member for Skeena (Mr. Fulton) who is there, who knows the geography and who is relying on the maps.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I happen to believe that if there is a change of wind and if the tide were to compound with that wind that spill could seep across the Panhandle on to the west coast of British Columbia, down through the Prince of Wales Islands off the Alaska coast and into the Queen Charlottes. That is not beyond the realm of possibility, dealing with the amount of oil that we are dealing with in this current spill.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I will rely on the fact that this is a threat. Anyone who has had the opportunity, as my wife Geills and I have had, as have many British Columbians including yourself, Mr. Speaker, to visit the Prince of Wales Islands and the Queen Charlotte Islands, to see what a priceless asset we have in this country, knows that this is where some of the greatest aquaculture of the world is found.

I have been fortunate in my life to have visited up and down the west coast of British Columbia and Alaska to veiw that spectacular coastline. It is one of the world's environmental treasures. There are limitless nesting grounds for hundreds of varieties of birds. There is a spectacular diversity of marine life. It is home to a dozen species of whale, as well as to the Stellar sea-lion. The fisheries are unbounded. It has been the home for 6,000 years of the Haida nation, the Haida people, decimated as they were in the mid-19th century by smallpox out of a voyage out of San Francisco on the way to the Alaska Panhandle. In any event, this is something that is worth protecting. This is something that Canadians consider important. This is something that is apt and just to be debated on the floor of the House of Commons this evening, and I congratulate the Hon. Member for Skeena.

Some Hon. Members: Hear, hear!

• (2050)

Mr. Turner (Vancouver Quadra): Mr. Speaker, we all seek economic benefits. We all seek good jobs. We all want to develop the resources of this country as best we can. I think the lesson of this debate is that we are not going to have economic growth if we poison our fish, destroy our salmon, and contaminate our herring. We are not going to have tourism if our waters and our beaches turn to sludge and scum. The environmental imperative, the idea of sustainable development, is one that despite the rhetoric of the Throne Speech I believe all of us in the House of Commons accept.

Any Member of this House knows the terms of environmental imperative which I quoted on several occasions. I had an opportunity three or four years ago with Geills at a potlatch, illegal under the Indian Act, of meeting with the four chiefs of the Haida nation.

An Hon. Member: You were there?

Mr. Turner (Vancouver Quadra): I was there. We spoke. An expression the Haida people have said for 6,000 years stayed with me and I put on my Christmas card: "We do not inherit this land from our ancestors; we borrow it from our children." That is the whole purpose of this debate.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I do not hold the Government responsible for every environmental disaster every place in the world, but I do hold the Government responsible for failure to act on the problems upon which Canadians must have a say. I think that we cannot judge what is going to happen as to the negligence aboard that ship. It is not for me to make a final judgment of where he was. He certainly was not on the bridge, and there was an unqualified person in charge of that ship at the time of the accident. I am not going to cast any judgment there.

I followed the reports in the *The New York Times* of the response of the State of Alaska. The State of Alaska has enjoyed in recent years a boom in terms of the oil that it has shipped southward to the lower 50, so that almost 75 per cent of the governmental revenues of the State of Alaska now depend on oil. However, in the review conducted by *The New York Times*, inquiries of the Governor's office, and the inquiries of the environmental protection office of the State of Alaska, it appears that over the last few years all the emergency equipment, all the emergency teams, all the emergency procedures have been allowed to lapse and in some events disbanded.

That is the situation we face in dealing with our American neighbours, and we are not going to make any judgments at this stage. I will have a few suggestions to make at the end of what I have to say.

Yesterday's Throne Speech was laden with fancy phrases about the Government's commitment to environmental protection. I have heard it all before from this Government. It is not good enough to say you care. Everybody cares, but not every Canadian has the opportunity to do something about it. The Bouchard twins have the opportunity to do something about it, and I have not seen any concrete action on their part.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Nearly five years ago the Conservatives promised the following in their election manifesto, and I want to read from it: "A Progressive Conservative Government will make transboundary pollution problems the Government's top environmental priority. Instead of relying exclusively on diplomatic initiatives by the Minister of the Environment, a PC Government will also engage the Prime Minister and the Minister of External Affairs on top level efforts."

What happened in this particular instance? I suspect precious nothing. I have heard that President Bush sent a couple of members of his Cabinet and a couple of secretaries at the secretarial level to the scene of the accident. I want to ask the Government: Has the Prime Minister called the President of the United States about this issue?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Have they discussed it? Have they brought it to the level that the election manifesto of the Conservative Party five years ago said they would elevate this issue to? Now we see the Minister of the Environment here. I will give him credit. He is looking intense. Somebody must have tipped him off to come back into the House—

An Hon. Member: Oh, oh!

Mr. Turner (Vancouver Quadra): I would stay low because we are going to get at you in due course.

Some Hon. Members: Hear, hear!

Mr. Charest: I can't wait, John.

Mr. Turner (Vancouver Quadra): We will reserve an opportunity for the Minister so that he can star and shine in his own orbital light. All we have seen for four and a half years since this Government took office is cuts to the environmental budget.

[*Translation*]

And now that both Ministers are here, now both Ministers claim that environmental protection is a priority. They did not say in the Speech from the Throne that they wasted four or four and a half years, that they cut Environment Canada's budget and that they massacred the national parks, that they eliminated scientific personnel who did tremendous research that was to Canada's intellectual credit. No, no, there was no mention of that in the Speech from the Throne.

[*English*]

As long as environmental issues are trendy, the Prime Minister is all for it. As long as a la mode, the Minister will be for it. As long as experimental issues might win a few votes and provide good photo opportunities, the Conservative Cabinet is all for them.

But we cannot protect our environment only when it is fashionable. We cannot support sustainable development only until the newest trend emerges. We cannot be concerned about oil spills only when they are on the national news. We cannot only be for environmental issues until they conflict with multinational interests.

Canadians have a reason to be concerned. If it can happen there, it can happen here. We want to know how well the Government is prepared. The Government has a lousy record on the environment. We have no faith whatsoever that it has studied the issue. We have no faith whatsoever that it is prepared for the impact that this catastrophe will have and could have on our west coast.

There are about 50 supertankers a day plying those waters, Alaska to the U.S. mainland, hundreds of smaller tankers in the Strait of Juan de Fuca and Georgia Strait.

The Minister of Fisheries said: "it is unpredictable, we never know it could happen". Experts have always told us it was just a matter of time before something like this would happen.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): When we had the responsibility of office we were always cautious of the potential danger of oil spills on the west coast. In 1972 we imposed the moratorium on exploration and development off the west coast. In 1977 we signed an agreement with the United States to keep tanker traffic well offshore. In 1984 this Government, lobbied by the industry, recommended that we allow exploration. Since the accident, of course, the British Columbia Government has extended that moratorium another five years.

Contingency plans always look good on paper. Exxon told the residents of Valdez and Cordova that it had such plans in the event of an emergency. Those residents of Alaska are now asking what happened, why didn't those plans materialize, why wasn't the State of Alaska ready, why wasn't the Coast Guard ready, what had happened to the oil consortium mobilizing that pipeline and moving those millions of barrels of oil down the West Coast, where was the strategy? We are asking our Government the same questions. What are the contingency plans if it happens at or near our coastlines, east, west, or north?

• (2100)

The Minister of Fisheries and Oceans has said once again that it is unprecedented. In 1972 the U.S. Coast Guard report, five years before the Alaska pipeline was completed, predicted that there would likely be an accident once a year in Prince William Sound. That was the view of the Coast Guard of the United States years before this movement of oil started.

The Canadian Government is not even sure how far away the oil slick is from Canadian waters. I ask the Ministers concerned what evidence they have that our coastlines are protected. I believe we can learn not only from the current disaster. We may have some lead time to prepare ourselves for the impact on the Canadian coastline.

We have committed ourselves to the concept of sustainable development. It is in the Throne Speech. The Minister of the Environment has a very important charge in his hands now. That commitment is being tested. I say to him that there are great dangers for us. We need now high level negotiations with the United States on how we will transport oil out of the northern slope.

[*Translation*]

It is not just a question of alliances, it is not a question for the head of state. Our Prime Minister (Mr. Mulroney) is not the head of state, but he thinks that he is. In any event, he is the head of government.

Now is not the time for general conversations and for paying each other compliments. It is time to ask the President of the United States how he can mobilize the U.S. Government and the Government of Alaska, as well as the federal forces on the West Coast of the United States, to coordinate their efforts. All the reports in the *New York Times*, the *Washington Post* and the *Los Angeles Times*—and I have read them all—agree that the U.S. Federal Government efforts were not sufficient, that the State of Alaska was not prepared, that Exxon was not prepared either to contain the effects of the tragedy.

Now, we are neighbours, we are good neighbours. We share their coasts, their waters. Now is the time for the Prime Minister to telephone his friend, Mr. Bush, and say, "Mr. President, the consequences for both of us are quite serious and worrisome. We must now coordinate our efforts."

That is why I respectfully make some suggestions, Mr. Speaker.

[*English*]

We will have to look at a number of things. First, we should consider the possibility of reducing the traffic. Is the volume too high? Some 25 per cent of all American domestic oil now comes from Alaska, so much so that the price of world oil was affected immediately by this oil spill. We have a very vulnerable situation.

Second, should we reduce the size of the tankers to limit the damage potential? Third, should we ensure that the shipping channels are as far away as possible? The 1972 agreement with the United States put that limit at 125 miles. Is that sufficient?

Fourth, should we allow winter traffic with all the risks as outlined by the Hon. Member for Skeena of tide, wind, storm, and unpredictability?

Fifth, is there a possibility that we should extend the moratorium on exploration and development off the west coast? These are issues that the Minister of the Environment should treat seriously. This is the first test of his ministerial responsibility. It is not something that he can duck.

This is an issue about which all Canadians are concerned. He knows as the rest of us do, even though we do not take polls at government and taxpayers' expense, how important the environment is to the ordinary Canadian who is worried about his children and family. We are the most fortunate nation on the face of the earth.

We are a nation dictated by geography. We are a nation governed by our environment. We are a nation that still has an open frontier. If the Minister and the Government do not understand that they do not understand the force of this debate. I am asking the Minister to act now, before it is too late.

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, let me begin by discussing the measures taken by the federal Government following the Alaska oil spill. I will not try to use the tactics of the Leader of the Opposition (Mr. Turner) because I believe the matter is too important to try to play politics with. It is something about which I believe every Canadian is very sensitive tonight.

I agree with the points raised by the Hon. Member for Skeena (Mr. Fulton). I believe that, once again, from St. John's, Newfoundland to Vancouver, British Columbia every Canadian is worried about the environment.

Personally, as the Minister of Transport, I am very proud to be responsible for the Canadian Coast Guard which I believe has done a wonderful job in the circumstances. My remarks tonight are more to give Canadians information about what can be done and what we have done in the circumstances. The federal Government has reacted immediately.

My colleague, the Minister of the Environment (Mr. Bouchard), the other twin, and myself announced that the federal representatives would monitor the situation closely in order to ensure that appropriate measures would be taken in those circumstances.

[*Translation*]

Mr. Speaker, I think it is important to state again, for the information of Canadians, that Valdez is 1,000 kilometres from the nearest point on the Canadian border north of British Columbia.

[*English*]

This means that the oil slick would have to travel 1,000 kilometres to reach Canadian waters. Initial assessments indicate that oil will not reach our shores. Nevertheless, the Coast Guard has requested that both Environment Canada and Fisheries and Oceans keep it appraised of the trajectory of the spill. In addition, we have a Coast Guard observer permanently on the scene.

[*Translation*]

Mr. Speaker, the Canadian Coast Guard also has an information office on the spill in Vancouver where information can be obtained at all times.

Since then, ongoing evaluation has indicated that it is and remains very unlikely that the spill will have an impact on Canadian waters. Based on ocean currents and seasonal climatic models, the Canadian Hydrographic Service predicts that the spill will continue to move west and southwest towards the Aleutian Islands. The spill could reach Canadian waters only in the event of 20 days of steady northwest winds.

Mr. Speaker, we have also taken the following action.

At the request of Exxon, the Canadian Coast Guard has made available a number of special systems for the recovery of hydrocarbons, with their operators. Equipment from the depot in Tuktoyaktuk includes 1 skimmer, 1 Framo ACW 400, 2 oil slick removers with spare parts, and from St. John's, Newfoundland, 1 skimmmer, 1 Framo ACW skimmer, 1 oil slick remover, 1 GT 185 Destroil skimmer, 1 Mark V slick-licker and 1 Swedtrawl.

Mr. Speaker, other measures have been taken as well. For instance, External Affairs Canada has asked the U.S. Department of State to keep it fully informed of further developments and of any possible impact on Canadian waters and resources.

The Department of National Defense will provide additional flights for pollution surveillance, if necessary.

Canadian industry, with the approval of the Canada Oil and Gas Lands Administration, has made arrangements to have the Beaufort Sea equipment operated by the Sea Oil Spill Cooperative shipped by air to Valdez, Alaska.

The Canada–U.S. emergency plan for water pollution is now in effect in order to facilitate transborder shipment of clean–up equipment.

Mr. Speaker, on site in Alaska, Exxon is now transferring the remaining cargo to three ships that will carry it to U.S. ports. The Exxon Baton Rouge has taken on 463,000 barrels, Exxon San Francisco 400,000 and Exxon Baytown will take the rest. It is expected that operations will finish today.

Undersea tests suggest the ship can be salvaged. The intention is to refloat the Exxon Valdez.

Mr. Speaker, the ship's side is intact, but there are still concerns as to the impact of unburdening on her overall stability. Other undersea tests are underway to determine the hull's integrity and the ship's stability. A restricted traffic zone and a control zone have been established in the area. Exxon is now concentrating their efforts on the protection of fish spawning areas.

Mr. Speaker, resources now in place in Alaska include 884 personnel, 100 ships, 49 helicopters, 2 airplanes, and anti–pollution equipment totalling 1 223 tons.

I would now like, Mr. Speaker, to deal with a number of systems that have been developed and located on the West coast to ensure the safety of bulk oil transport. These are:

a) Sophisticated maritime traffic management systems using radar and radio communication systems to monitor and guide the movements of ships in heavy traffic ports and areas of high tanker traffic density.

b) On the West coast, Mr. Speaker, it is excessively important that Canadians be aware of the following rules—on the West coast of Vancouver Island, a special zone has been set up from which tankers are excluded, in consultation with the industry, to ensure that tankers ply well off the coast. Those arrangements provide that tankers keep 125 miles off the Canadian coast at the Northern tip of the Queen Charlotte Islands, some 60 miles off the North coast of Vancouver Island and some 25 miles off the coast for those entering the Juan de Fuca Strait.

c) A system of navigation lanes in the Juan de Fuca Strait, jointly controlled by the American and Canadian Coast Guards, ensures the spacing of in– and outgoing ships, which also are monitored by radar.

d) Mr. Speaker, long–range navigation aids are jointly offered by Canada and the United States to ensure that ships off the coasts can pinpoint their position at sea, and the Coast Guard radio station network broadcasts weather forecasts and nautical safety bulletins to all ships.

e) Upon entering Canadian territorial waters, these ships use the impressive system of short range navigational aids and a compulsory pilotage system which provides local navigational data.

The Pacific Pilotage Authority, Mr. Speaker, is responsible for pilotage in all Canadian waters in and around the province of British Columbia.

The Authority's Regulations establish five compulsory pilotage areas, namely:

1) The Fraser River;

2) The East coast of Vancouver Island and the West coast of the continent between Pine Island and Race Rocks;

3) The West coast of Vancouver Island, from Race Rocks to Pine Island;

4) The West coast of the continent, from Pine Island to Stewart;

5) The waters around the Queen Charlotte Islands.

All ships that are over 350 gross tons are subject to compulsory pilotage except Canadian or American ships which are employed in the coastal trade between British Columbia, the State of Washington and Alaska.

Pilotage missions are carried out by pilots employed by or under contract with the Authority. The pilots board the ships by launch or helicopter when they arrive off the coast of British Columbia and leave them in the same way. The launches and the helicopters are under the control of the central pilotage services in Vancouver or of its regional offices in Victoria and Prince Rupert. The

pilots are sent on their missions by dispatching units which work around the clock in Vancouver, Victoria and Prince Rupert. The whole operation is run from the head office in Vancouver.

When there is a major spill from a sea-going vessel, its essentially up to the Canadian Coast Guard to tell the polluter that he has to clean up the polluting agent and control the operation. Should the polluter fail to take appropriate action, Coast Guard officials step in with pollution-fighting equipment and direct cleaning-up operations with the assistance of such support agencies and organizations as the Department of the Environment and the Department of Fisheries and Oceans.

In addition, the Canadian Coast Guard keeps stand-by pollution-fighting equipment in 50 warehouses throughout Canada, including on the West Coast at Vancouver, Victoria and Prince Rupert.

Mr. Speaker, I agree with previous speakers that the Government acknowledges that we must not spare any effort to be in a position to intervene in cases of oil spills in Canadian waters, particularly when oil tankers are involved. All told the Canadian Coast Guard has 16,000 feet of ocean booms and 150,000 feet of retaining booms in various warehouses, including the 1,400 feet of ocean booms and 52,000 feet of retaining booms already on the spot in British Columbia.

We also maintain in Victoria the complete equipment required for emergency unloading of oil tankers, and ten other pumping systems are kept in Coast Guard warehouses in British Columbia. And perhaps still more significant, Mr. Speaker, 24-odd units for recuperating floating oil are available. Besides that we have 17 boats, barges and special vessels for emergency maritime operations, and such varied support equipment as generators, compressors, radio equipment and flat-bed trucks already in Coast Guard warehouses along the Pacific coast, and we can have. . . Earlier my colleague from the Department of Fisheries and Oceans said it is important that people be aware of the equipment we have. This gives an idea of the size of the systems and equipment available.

Mr. Speaker, for the benefit of all Canadians I hasten to point out that this list refers only to the West Coast. In its 50 storage facilities throughout the country the Canadian Coast Guard maintains something like $35 million worth of pollution-fighting equipment, including 166,000 feet of oil recuperation booms, six units of special equipment for emergency unloading of oil tankers, 156 systems to recover floating oil, 150 small craft and other essential tools such as tar shovels and forks.

Mr. Speaker, the entire Coast Guard—boats, helicopters and staff—is ready to provide assistance in case of a major spill in Canadian waters, and a good many Coast Guard officers have the necessary training to direct the operations.

Mr. Speaker, we always need more equipment and we must continue our work to improve our systems and facilities. First and foremost—and here I agree with the Leader of the Opposition—we have to prevent accidents. Canada's reputation in these fields is second to none, but we must remain vigilant.

• (2110)

[*English*]

I would like to conclude by stating that I believe we have clearly demonstrated the Government's response to this tragic occurrence, as well as our readiness with respect to oil pollution incidents in Canada.

In my comments I have emphasized the following. The actions initiated by this Government on the Alaska spill, our safety prevention systems, are in place. Our pollution countermeasures and equipment resources are ready and available to be used in the very unlikely event that they are required.

I conclude by stating that an extensive Canadian response to the Valdez spill has been mounted.

• (2120)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the length of the applause on the government side of the House will do nothing to substitute for the lack of content in the so-called responses we have heard from the two Ministers involved in this issue.

The Minister of Transport (Mr. Bouchard) in his most recent rantings on the issue sounds more like an apologist for Exxon than a Minister of a Canadian Government which is supposed to be protecting the interests of the Canadian people. I would suggest to him that if a similar spill had occurred in the St. Lawrence River outside the City of Montreal or in Lake Ontario outside of the City of Toronto, this Government would have declared a national emergency instead of simply ignoring

the issue as it has because the spill occurred off the west coast of Canada.

[*Translation*]

I am still waiting for the answer from the Minister of the Environment (Mr. Bouchard, (Lac Saint-Jean)). We have heard from the mini-Bouchard, the mini-mouth, and we are now waiting to hear from the big-mouth. As a novice perhaps is he afraid to speak. But then I too am a novice in environmental matters, and yet I am not afraid of saying that, if the same environmental problem happened in Montreal, in the Saint Lawrence River, or in Toronto, in Lake Ontario, a national crisis would have long been declared. But in this case, we cannot even find the Minister of the Environnment to have him come in this House to speak precisely about the environment.

We have heard from the Minister of Fisheries and Oceans (Mr. Siddon) who is directly concerned by this matter. We have heard from the Minister of Transport (Mr. Bouchard, (Roberval)) who is also concerned as the spokesman for the Exxon corporation which he mentioned several times. But we have not heard a single word from the Minister of the Environment.

Mr. Speaker, we have just listened to the Minister of Transport telling us what is available in Canada to clean up this kind of mess.

[*English*]

Let us look at the Canadian record. The Minister of Transport has just spent several months extolling the equipment the Canadian Government has made available by way of the Coast Guard to assist in the Exxon clean-up. We have not heard a thing about the kind of international discussions or compensation that should be taking place. We have not heard a thing about a moratorium or about winter shipping that should have been discussed when the Prime Minister of Canada (Mr. Mulroney) and the President of the United States met very recently and environment was supposed to be the number one issue on the agenda.

In the Liberal Party we suggested that the Prime Minister might take some lessons from the example of the Vancouver Island oil spill. He might start to undertake some international negotiations to set limits on the kind of activity that takes place not only off the west coast but off our other coast. He might put specific provisions in place to compensate those individual fishermen and other individuals who derive their livelihood from the fishing industry and whose livelihood is now being destroyed by the incompetence, negligence and criminal activity that we have seen take place regarding this particular spill.

Let us look back at the Canadian Government's record in the spill that occurred recently on Vancouver Island. We spoke just today with Maureen Fraser, no relation I presume to be the Hon. Speaker, is she?

Some Hon. Members: Oh, oh!

Mr. Speaker: I feel compelled to indicate to the Hon. Member that she may not be an immediate relation, but she is most definitely from the same clan of which we are very proud.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Ms. Copps: I do not want to put the Chair in the awkward position of having to declare a conflict of interest, so I shall just say a spokesman for The Friends of Clayoquot Sound which was very directly affected in the recent oil spill off Vancouver Island. We saw the great network of environmental concern as expressed by the Canadian Government in that particular spill. That left the effort to volunteers to clean up the beaches. What is the situation months after the situation that occurred off Vancouver Island which has a very direct threat to the residents of British Columbia? Most areas within reach of volunteers have been cleaned.

We will not find signs of oil in the areas that have been touched by volunteers, but there is still oil lying under the surface which is coming up in small globs. The volunteers are cleaning that up now. There five-foot coves along the rugged coast which have not been looked at or cleaned up. Scientists cannot predict how long oil will continue to wash up. Scientists cannot predict the extent of damage to birds or to sea life. The grey whales have been moving up the coast to Alaska, and now we know what the grey whales will be facing in Alaska. The research into the affects of the Vancouver Island spill will be compounded by the oil spill off Alaska and its affect on the whale population.

But what do we hear from the Minister of the Environment (Mr. Bouchard)? He is continuing to study the affects of the spill.

Let us talk about the actual equipment which the federal Government has available at its disposition. According to the Deputy Commissioner of the Canadian Coast Guard, there is no ability by the Canadian Coast Guard to recover oil in heavy seas or strong currents such as those that already exist in the Juan de Fuca Strait which is already being used as a traverse area for the tankers coming through from Alaska because we do not

have sophisticated equipment like airborne, multispectoral equipment which can track slicks from the sky.

The last time we needed that kind of equipment we had to borrow it from the Americans. None of our equipment nor the depots that are currently available to handle a spill could ever handle a spill the size of the Exxon spill of 240,000 barrels. Furthermore, the Minister of the Environment and the Government do not have an active procurement policy to make sure that the newest, the latest and the best of technology for the cleaning of oil spills is available.

Instead they wait until equipment becomes antiquated or irreparable before purchasing new technology. We are left with the situation where, even though environmentalists have for two decades as we now know predicted a disaster similar to the one we have now seen taking place in Alaska, to date the federal Government has refused to commit itself financially to upgrading the kind of cleaning equipment and new technology that must be available if we are to continue in the development of fossil fuel as a fuel energy source, which is obviously been the path of the Government.

Not only has the Government completely abrogated and neglected its responsibility in developing the technology to clean up in that area, but at the same time it has drastically slashed, devastated, annihilated, massacred and completely abolished the funds that had been available under past Liberal Governments for the development of alternative fuel energies.

Fossil fuel is not the only answer to the energy problems facing Canadians. As long as the Government refuses to examine in an intelligent way the alternatives available to fossil fuel, we will continue to see ourselves at risk by the kinds of human error, criminal negligence and the oil spills we saw most recently in Alaska and prior to that on other occasions off Vancouver Island.

• (2130)

Instead of developing an intelligent policy for the development of alternative energies, what we have seen is a Government that has cut and slashed in every area of alternative energy sources, and instead has literally put all its eggs in the fossil fuel basket.

The Prime Minister is prone to hyperbole, and we heard some of that hyperbole only one short day ago in the House of Commons regarding the environmental imperative. I am sure when the Minister speaks that we will hear he is very concerned. He has been very concerned about every environmental issue that has crossed his plate since he became a Minister. I remind the Minister that three months is long enough for the Canadian people to wait for some answers, and concern is not enough.

The Prime Minister has stated the world itself is facing an environmental challenge of unprecedented magnitude. "Recognizing this my Government. . ." and on and on goes the verbiage. At the same time the same Government slashed the budget that was available under previous Liberal Governments.

In 1984 spending on intelligent alternative forms of energy, including renewable and energy conservation programs, stood at $405 million. It was not enough, but it was a start.

What is the current spending level five years after 1984, five years after the Government has doubled the national debt? The current spending level for renewable and energy conservation programs is $76 million, and it is due to be cut back to $39 million by 1993.

Some Hon. Members: Shame, shame!

Ms. Copps: The Friends of the Earth found it passing strange that the International Chamber of Commerce, that well-known friend of the environment, joined hands with other converts to the environmental issue in awarding the Prime Minister some kind of award on the issue of environment. I cannot go into it much beyond that because frankly I was appalled. Environmental groups were certainly appalled. When one looks at the Prime Minister's record on the environment, it does not hold water. It does not stand up to public scrutiny. In these areas it does not hold water, it does not hold oil; it is a political slick that the Prime Minister has been prone to use merely for re-election purposes.

It made me a little ill too when the Prime Minister came to the Canada Centre for Inland Waters in my own community during the election where he made a great announcement: $125 million to clean up the hot spots in the Great Lakes, and also from most recent studies this week, the St. Clair River, the Niagara River, and Lake Ontario. They go on and on. He announced a $125 million package. The price tag for cleaning up the Hamilton Harbour alone is $120 million. Who is he trying to kid? He talks about the environment, but he is not prepared to put his money where his mouth is.

Mr. Friesen: We don't have any.

Ms. Copps: The Hon. Member states that we do not have any money. In the time that it took for this Government to slash the budget by about 66 per cent for renewable energy, for alternative energy sources, for solar energy, and for other types of energy sources that are not subject to the vagaries of oil spills and to the dangers of the seas, it was in the process of doubling the national debt. In the last four years the national debt in the country has doubled. When the time was there, when the economy was ripe, when the Government could have moved in and done some things for renewable energy, instead it frittered it away on millions of dollars in by-election buy-outs and all manner of other things. I know the that Minister will not want to comment on by-election buy-outs because he comes with a fairly heavy price tag.

Some Hon. Members: Hear, hear!

Mr. Charest: Cheap, cheap!

Ms. Copps: The Member states that I am cheap. I would like to say to the Member that the people off the British Columbia coast would like to know from the Government, in a little more detail, the specifics of just what kind of contingency plan we have in place to protect the aquaculture, to protect the beautiful park land, to protect the beautiful oceans, and to protect the Queen Charlotte Islands, about which my leader spoke so eloquently, from the potential devastation that is about to be wrought by the movement of this slick away from Alaska toward British Columbia.

During Question Period I heard the Minister say that allegedly, according to his figures, the spill was supposed to have been 1,000 kilometres away from Canada. I also heard the Hon. Member for Skeena (Mr. Fulton), who has some passing knowledge in this area, state to the House of Commons that his information from the Canadian Coast Guard suggests that in fact that particular spill is 200 kilometres from the Canadian coastline.

Mr. Angus: Miles.

Ms. Copps: Miles. You have not yet converted in British Columbia!

The Hon. Members states 200 miles; the Minister says 1,000 kilometres. I would like to know what contingency plan the Minister of the Environment has in place to protect not only the economy of British Columbia but that precious potential for future generations that is embodied in the kind of beauty that we have seen in the Queen Charlotte Islands.

I have not heard anything from the Minister. I do not know if he is afraid to speak. I do not know if he wants to be able to hear all the critics and all the criticism before he stands in his place. I do not understand why he sends in a pinch-hitter who is an insult to the people of British Columbia, by way of the Minister of Fisheries and Oceans (Mr. Siddon) who was not able to give a single substantive contingency plan to at least assuage the legitimate fears and concerns of the people in British Columbia. All we heard was the Minister of Transport claiming that the Opposition is trying to make cheap political points.

In February, before this latest devastating oil spill occurred, we in the Liberal Party wrote to the Prime Minister, who sold away the country by way of the trade deal. It was about time he should cash in his chips. He must have got at least a couple of chips from that sell-out: friends in American Express, friends across the border, hands across the border. The time has come to cash in those chips. We have asked the Prime Minister, and that was again articulated tonight by the Leader and the very able Hon. Member for Vancouver Quadra (Mr. Turner).

What we have asked of the Prime Minister is that we get an international agreement to lay down the law on the specifics of the transportation of this dangerous and potentially lethal oil from Alaska to the United States, and specifically that there are some regulations about when the oil can be transported, under what conditions it can be transported, and under whose captainship it can be transported. We have not received sufficient answers.

Another very direct concern of the fishermen who have already lost millions of dollars as a result of lost catch, and who are facing the potential of losing further millions of dollars, is the question of compensation. If the Canadian fishing industry is going to be hurt equally as bad as the fishing industry in Alaska, or if there is an ancillary devastating effect on spawning of new stock that will be the life-blood of future fishing generations, who is going to foot the bill?

What I heard tonight was the Minister of Transport stating that the Canadian Government is offering Exxon a couple of ships and a few dinghies to get out there and fight this massive oil spill. Only 5 per cent of that oil has already been collected. Some 95 per cent is floating out in the high seas and eventually will find its way either into the sea bed, into the Canadian aqua system, or definitely it will be felt through the food system.

• (2140)

We have seen in the case of caribou the effects of the oil making its way through the food chain. Who is going to foot the bill? What kind of criminal charges in the United States courts and in the international courts will be faced by the company? It is not enough to say that an individual who was off the ship or on the ship, who is turning himself in as responsible, was employed by a company. That company also was working with another company which had a legal, moral and ethical responsibility to ensure (a) there was a system in place to prevent the kinds of spills we have seen and (b) if a spill should occur that there should be an immediate system in place to try and clean it up. Five hours later they didn't even have a boat on site. That simply is not good enough.

What we have seen from the Canadian Government tonight, from the absence of the Prime Minister, from the Minister of the Environment who still has not spoken, is excuses, back-pedalling, and basically singing the company line. The Minister of Transport sounded like an apologist for Exxon. It is about time we got back to the central issue of the last election campaign.

Who is going to speak for Canada? Who is going to speak for British Columbia? Who is going to speak for the fishermen? Who is going to speak for all those residents who see their life-blood and their children's future threatened as a result of absolutely no systems in place by the Canadian Government?

I am sorry if the Members from British Columbia do not appreciate the assistance of critics from other Parties on an issue that is of national importance. If you see this simply as a British Columbia issue, maybe you are a B.C. rump.

I believe this is an issue of national importance. I do not think it should simply be a British Columbia issue. That is why I was most happy to rise and stand in my place and ask the Government and the Minister of the Environment to stand up and speak for Canada, to start bringing in some specific legislation. Get the Prime Minister to pick up the phone and talk to the President of the United States and agree on a bilateral treaty that will deal with these very crucial issues. Extend the moratorium off the coast of British Columbia and start dealing with facts and actions.

[*Translation*]

It is not enough to say: "I am concerned". I have had enough of expressions of concern. What I want now is action. We expect action from the Minister and we of the Liberal Party are ready to support the government if ever it decides to react.

Mr. Speaker: Order! I believe we have a point of order. The Hon. Member from Kamloops (Mr. Riis).

[*English*]

Mr. Riis: I rise on a point of order, Mr. Speaker. This unquestionably is one of the most important debates of this session of Parliament.

It is common knowledge that we regularly change our regulations and Standing Orders to facilitate the business being done in the House at that moment. The Standing Orders will sever this debate at twelve o'clock. There are 32 Members of Parliament from British Columbia and many others who will want to participate in this debate. Under the existing rules fewer than 12 will participate.

I wonder, Mr. Speaker, if you would not seek the unanimous consent of the House to allow Members to speak on this very critical issue and important debate and not see the clock hit twelve o'clock so that each Member be allowed to express their views on this issue.

Some Hon. Members: Hear, hear!

Mr. Speaker: Just so that Hon. Members and the public watching will understand, the Hon. Member for Kamloops has asked for unanimous consent to extend the hours of this debate beyond twelve midnight.

Under the rules, we are bound to close the debate at twelve midnight unless another motion is put between eleven and twelve o'clock for an extension of the debate. If it is opposed, it must be opposed by 15 Members rising. However, the Hon. Member for Kamloops has risen and asked the House for unanimous consent to agree to extend debate beyond the twelve midnight deadline. That is the issue before the House.

The Hon. Minister was seeking the floor.

Mr. Charest: Might I suggest that the proposition put by the Hon. Member for Kamloops (Mr. Riis) is a bit premature. He refers to the fact that we have until midnight to debate this issue and that there are Members in the House who do want to speak. We are more than two hours away from midnight. I am not saying that we will exclude it. We may want to entertain some accommodations.

I would suggest that the Hon. Member present his proposition or motion again around midnight, and we can at that time better appreciate whether it is pertinent for us to pursue it.

Mr. Gauthier: I would like to participate in this exchange. I gave you a list of Liberal Members of Parliament who would like to speak in this debate. I know and everybody in the House knows that we are getting about an average of three Members to speak per hour. It is impossible for the 12 Liberal Members that I have on the list to be able to speak if we do not shorten our speeches. It is just physically impossible. I would suggest to the Government that they be open and receptive to the recommendation made by the NDP. For the mover and his Party only to get three speakers in a four-hour period seems to me unreasonable. I hope that some compromise could be reached and that we can agree to shorten the speeches to ten minutes. It would allow Members on this side and on the government side to express themselves freely and democratically.

[*Translation*]

Mr. Speaker: I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his comments. I see that the Hon. Member for Kamloops (Mr. Riis) also wants to make some remarks and perhaps this is a situation where Hon. Members should probably consider having among themselves, and then afterwards. . .

[*English*]

It would be appropriate for Hon. Members to address the Chair if some agreement can be made. I put that forward as a suggestion. I know that while we are negotiating across the floor, which is something we probably should not do too often, it is also taking up time. However, if the Hon. Member for Kamloops wishes to assist the Chair, I certainly recognize him.

Mr. Riis: I appreciate the point. We have heard from the Liberal Party, and its Members are anxious to continue the debate. We have heard the words of the Deputy House Leader that he would like to give it some more thought and consider whether or not we should have an opportunity for all Members to participate. I am prepared to hold back and move this initiative at the appropriate time in the hopes that we will have co-operation from all sides of the House.

Some Hon. Members: Hear, hear!

Mr. Speaker: I reiterate to Hon. Members and to the public watching this debate that the House can do almost anything if it is unanimous.

On the other hand, it is often helpful if Members from all Parties have some discussion among themselves and then bring back the consequences of that discussion to the Speaker. In that regard, I am more than prepared to co-operate.

However, I think that keeping an eye on the time, unless some arrangement is made among Members or unless the order is followed and not objected to, the debate will end at midnight. I think we should proceed. I now have the duty to recognize the Hon. Minister of the Environment.

• (2050)

[*Translation*]

Hon. Lucien Bouchard (Minister of Environment): Mr. Speaker, we must undoubtedly recognize that the situation which exists now in Alaska is extremely serious. There is no reason for any of us as leaders to shirk our duties in any way, and one of these duties, I respectfully submit to you, Sir, is to view the situation we are faced with in a responsible and sober fashion. To view it in a responsible fashion is to avoid falling in the trap of petty politics. Mr. Speaker, what the Canadian public is expecting from us tonight is to describe the situation as it really is and demonstrate that we are going to fully assume our responsibility with determination no matter the cost.

[*English*]

We all know that Parliament is sometimes a forum given to exaggerated rhetoric and intemperate partisanship. However, the environment is an area of public policy in which neither is appropriate. The stakes are simply too high given the extent to which humanity is undermining the health of our planet. We owe the people of Canada and future generations not rhetoric nor partisanship but a healthy environment in which to live.

[*Translation*]

Mr. Speaker, we have heard the usual unfounded complaints and attacks against the Government. It is not possible for anything to occur in environmental matters without the opposition trying to suggest that the Government does not care for the environment. Yet, it has failed to demonstrate. . . Let us review the facts, Mr. Speaker. We have before us quite a number of people who, while sitting as front benchers in previous Govern-

ments, failed for years to recognize the importance of the environment and to act as their inflammatory rhetoric of tonight would suggest, Mr. Speaker. I think they are being unfair to this Government by ignoring what has been done over the passed four years.

Mr. Speaker, whatever they may say, the Prime Minister (Mr. Mulroney) will have had the privilege of heading a government that during the past four years has done more for the environment than all previous governments put together. As you know, Mr. Speaker, it was this Government that passed our new legislation on the environment, one of the strictest in the world. It was this Government that initiated a program to prevent acid rain in Canada, a program that by 1994 will have reduced Canadian acid rain by 50 per cent. It is this Government that will get an agreement with the United States on acid rain. It was this Government that intensified efforts to clean up the Great Lakes and that set up a fund of $110 million to clean up the St. Lawrence. On the international scene, it was this Government that initiated the signing of the first world protocol to protect the atmosphere: the Montreal Protocol. Understandably, Mr. Speaker, the Opposition would rather not be reminded of these facts.

The Opposition prefers to say that the Government does not care about the health of Canadians or about what will happen to future generations. However, it overlooks the fact that this is the Government that will abolish lead in motor vehicle emissions within the next few years.

Mr. Speaker, what we are hearing is incredible, and I think we should get back to the subject at hand. In the past few days, Canadians have witnessed a terrible accident, an accident that, we might as well admit, could have happened here in Canada, in the waters off Toronto or Montreal or 10 kilometres off the coast of British Columbia. We know that, Mr. Speaker, and Canadians are worried and rightly so, but that is no reason to put the blame on the Government. What do we do in this type of situation? What can we do?

Most of the Members opposite have been on the Government side before. They know that in a situation like this, the first thing to do is to keep a clear head and make sure everything has been done that is humanly possible to prevent this from occurring here in Canada. It also means making sure that if it does, we are able to take action quickly, effectively, and without flagging. That is exactly what we are doing, Mr. Speaker. In the past weeks, we in Canada have been confronted with two incidents that will be a valuable lesson to us. We did not cause them nor are we in any way at fault. Both the accident that occurred in the State of Washington a few months ago at the end of December and the recent accident in Alaska took place outside Canadian territory. No Canadian is involved in it. But that does not mean that because we are not involved, because it happened elsewhere, we do not have to be concerned. On the contrary! Because we know that we too are vulnerable to that sort of thing. No country in the world is exempt from that kind of disaster. So it is no use shouting and throwing stones. Canadians do not want to hear such things. They have enough of that kind of politics. What Canadians want to know is what can be done in the future and what action can be taken.

What we did in the Vancouver spill, for example, from the first days, Mr. Speaker, from January 3, the day the first oil slicks hit the beaches of a national park, we had Parks Canada people there with volunteers to begin operations. We mobilized considerable resources. We are asked what we would do if there were such an oil spill. Of course, the one that just happened in Alaska is some 50 times bigger than the one that affected us in early January. But still, the one in early January was considerable. In a single day, we were able to mobilize up to 350 people to work on cleaning up the beach, up to ten vessels patrolling the waters near the beach, a dozen helicopters and so far, 370 tonnes of oil and debris have been removed from the water.

I just heard rumours that there was still oil washing up on the beaches. According to the reports we have received the cleaning operation of the Vancouver beaches was completed a few days ago and we have now entered a supervising phase to make sure that no new spill is occurring, which will eventually lead up to an assessment phase of the operations we have already carried out. Therefore, the process which was implemented over there has now been completed successfully. Unfortunately, the fact remains that we were the victims of a terrible accident which will leave indelible marks. It is clear that we just cannot assess for the time being the impact it will have on the various forms of marine life. Nobody knows for sure what happens when oil deposits fall to the bottom of the sea. We know that problems will rise, but a compensation scheme has already been implemented. We have set up an organization to help Canadians seeking damages and we have already registered 29 claims from people who are suing the carrier. And we are making every effort to help them in this endeavour.

Also, there will be eventually an economic damage assessment and we will follow through with the proceedings we have already started with the U.S. State Department in this respect. We are going to learn a lesson from this mishap. We are well aware that what we did in Vancouver was not perfect. We know we can do better. It is very important to recognize this, Mr. Speaker. The Government has no intention of playing this old political game by claiming it has done everything right while the opposition maintains it has done everything wrong. It is necessary to recognize that it is always possible to do better. Human behaviour can always be improved. We are going to learn a lesson from what happened in January as well as from the unfortunate and painful experience our American neighbours are making in Alaska. It would be awful if we could not learn anything from such tragic events. Mr. Speaker, I can assure the Canadian people that we are going to assess what happened both on Vancouver Island and in Alaska and that we will draw some important conclusions. What will we do with them? We devised some ten years ago a series of rules which govern shipping on our Canadian coasts as well as in the major international waterways.

[*English*]

Those rules have been set for the St. Lawrence Seaway as well as for the oil traffic offshore B.C. from Alaska to Cherry Point at the beginning of the American territory. Those rules are very rigorous. They have been made, as far as the West is concerned, through an exchange of diplomatic notes in 1979. They are very comprehensive and very tough.

We must admit that up until now they have been efficient. It is a very complex network of bilateral communications, checkpoints and rail use facilities. Nevertheless, we know that this is an occasion for us to assess those rules, to examine them and to see if it would not be possible to improve them and strengthen them. This will be done. It has begun in our different Departments.

If we find out that we can improve them, of course we will improve them. Of course we will say to the Americans that we need to improve those rules. We will come back to the table. We will look at them and we will tighten them because that is in the interests of Americans and Canadians—of people all over the world. Of course this will be done, Mr. Speaker, if it needs to be done. It is the same thing for the response. There is prevention, which is the best thing to do, and there is response. We know that the response must be swift. It must be tough, diligent and rigorous. If we do not act immediately we can lose control of the spill, and then it will be very difficult.

• (2200)

It is the case in Alaska. We know, all of us, that within five hours of the accident, it has not been possible, because of the magnitude of the spill, to control and to contain the spill, and now the spill is going away in the western direction in the ocean. Eventually we might think—well, this is the opinion of our scientists—that it will break down and dissolve in the water, in the ocean, and we do not know with what bad consequences, but it is easy to imagine that there will be consequences, but we know that the first thing to do if there is an accident is to react swiftly within the first hours.

So we will examine the plans which have already been set up for such circumstances, and if we find out that we must upgrade the equipment, that we must improve the swiftness of the reaction, we will do it and we will report to the public. We have nothing to hide, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): The environment is a priority. While our friends are always contending that we do not treat the environment as a true priority, I challenge everybody to read the past Speeches from the Throne of this country and to see, in any Speech from the Throne delivered before yesterday in the history of Canada, if one Government has put such an emphasis, such a pre-eminence on environment. It is the first time that such emphasis has been placed on environment, and if you look at what is there, it is a plan of action.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, it is not a miracle. It is not a piece of cake. It is a document which honestly tried to frame what should be done during the next four years by this Government to cope with environmental problems and environmental concerns of Canadians, and I can tell the Speaker and Canadians that this plan will be realized.

Some Hon. Members: Hear, hear!

Ms. Copps: What plan?

Mr. Bouchard (Lac-Saint-Jean): It is a very well balanced plan, a very well balanced set of measures, legislative, clean-up operations, new policies which will allow Canada to stay in the forefront of pollution combat in the world.

I am always pained, Mr. Speaker, sincerely pained, to hear speeches like the one which has been delivered just now ridiculing the Prime Minister of Canada for having been honoured in the world for his record in environment. This is so mean, Mr. Speaker. It is so mean because if you travel all over the world—I just came back from The Hague, and there were 24 countries all over the world meeting in The Hague, and I could see that all those people consider Canada, our country, as one of the leaders of the world as far as environment is concerned, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): And I am sure that our Canadians are proud, too, Mr. Speaker, and I am sure that all Liberals, all NDP Members are proud, too. It remains for the leaders of those Parties to be proud equally.

There are some prestigious leaders of the world like Mrs. Brundtland, Prime Minister of Norway. She has signed the famous report on sustainable development. She developed the concept with a team of people, and among them a Canadian who more or less wrote the report himself, with Mrs. Brundtland chairing the commission. It was in The Hague with all those people from Europe and Australia, Japan and New Zealand, Francophones and Anglophones all of whom paid tribute to Mr. Mulroney, and then when you come back to Canada, you hear strange things.

Anyway, Mr. Speaker, we will go through the Alaska crisis. We have offered our help to our American friends. We are ready to help them to step in as much as they want. We have already provided them with a lot of equipment, people, surveillance, expertise. We are ready to do more. We are very proud to do it. I feel no humiliation in helping the Americans to fight this pollution problem. It is a duty for us because it is a problem for Canadians.

Ms. Copps: Who is going to pay?

Mr. Bouchard (Lac-Saint-Jean): I would like to conclude, Mr. Speaker, by saying that I am sure that Canadians reject partisanship in environment.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): I would like to live to see a joint effort from all Canadians, Liberal Members, NDP Members, Conservative Members to fight the good cause, the cause of environment for Canada and for its future.

Some Hon. Members: Hear, hear!

Mr. Charest: Mr. Speaker, I won't keep the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett), who got up simultaneously with me, from speaking for very long. I just wanted to report to you and to the House that after some brief discussions with representatives, the House Leader of the New Democratic Party and the Member for Ottawa Vanier (Mr. Gauthier), we can agree immediately. I am happy to report that we could agree immediately after the speech from the Member for Esquimalt—Juan de Fuca that the Members should start making speeches of 10 minute duration. That way we can get as many speeches in as possible. We have not yet dealt with the issue of going past midnight, but, Mr. Speaker, we will pursue our discussions. Thank you.

[*Translation*]

Mr. Speaker: I understand that an agreement has been reached among Members concerning the continuation of the debate.

[*English*]

Is there agreement to the proposition put forward by the Hon. Minister?

Mr. Gauthier: If I understood the Minister correctly, the offer is that we reduce the speaking time to 10 minutes, and that is it. We would be agreeable to extending that agreement past midnight, particularly if the Minister would be so nice tonight and agreeable that he would agree to go past midnight. That way we could plan.

Mr. Charest: Well, Mr. Speaker, I do not want to start negotiating on the floor of the House but I would just—

Mr. Gauthier: I made a proposal to you.

Mr. Charest: Yes, to be of service to the Hon. Members from both Parties what I am able to say now, without excluding the possibility of going beyond midnight, is that we can start, right after the speech from the Hon. Member for Esquimalt—Juan de Fuca, having 10 minute speeches from Members, and I think that is some progress,with a view to getting in as many Members as possible, and that as soon as we have had other discussions, we will be able to determine whether it is possible to go beyond midnight.

[*Translation*]

Mr. Speaker: I thank the Hon. Minister for his proposal. I think we still have a problem. Maybe. . .

• (2210)

[*English*]

Perhaps during the speech of the very distinguished Member, a former Premier of my province, the Province of British Columbia, representatives of all Parties could again consult and come back to the Speaker with a proposition which includes all of the considerations that seem to be bothering some Members. I now wish to move on with the debate. The Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett).

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I am honoured and pleased to take my place in this debate. Quite frankly, however, I would have preferred this debate never to have occurred in the House. All of us would have wanted to avoid the consequences of an oil spill, and certainly we want Government action and response to it.

Tonight, three Government spokespersons have attempted to patronize, not only the Opposition but Canadians, with sophomoric speeches, without any mention of the real problems that exist with this crisis on the waters bordering Canada and British Columbia.

When a Member stands for the House of Commons and hopes that his or her Party will form a majority government and he or she may be asked to be a Minister of the Crown, they assume a responsibility with that ministerial position. Tonight we are debating an emergency motion moved by my colleague from Skeena (Mr. Fulton). We are debating the issue of an oil spill. I am not questioning the Minister's sincerity, but others might. Had he been aware and sincere about this, and had he been alert, he would have been in the House yesterday to make a ministerial statement about that oil spill. No one would have turned that down. If we are to believe that the Government is truly concerned, the Minister could have come to the House today and asked leave of the House to make a ministerial statement. He did not do that. He had the nerve to come here and plead for understanding from the House and Canadians, after he was forced to make a statement as a result of a motion by my colleague. It begs the question: What have you been doing? Do you not understand this problem? Why have you not come to the House? Why have you not dealt with this issue?

This is not a new issue. It is not fortuitous that this is an accident that has repeated itself in 90 days. It is tragic. We, along with a government Member, went up to the coastal waters of offshore British Columbia. We saw the damage. We held a press conference.

All six New Democratic Members from Vancouver Island held a press conference on January 25. It was a very modest press statement in which we did not blame the Government. We stated that in order to learn from this experience there should be a public inquiry so that we could follow, step by step, what action was taken by the Government, the Coast Guard and volunteers, and determine what went right and what went wrong. Such a report could be tabled before us so that we could learn from this tragedy.

The Minister responsible pleads for understanding in this House. Just so that we understand exactly where this Minister stands when he makes the amateur appeal that it is not the Government's fault and we should keep a cool head and learn from these things, let me point out that on January 31 this year, my colleague, the Hon. Member for Saanich—Gulf Islands (Ms. Hunter) wrote a letter to the Minister.

I must say it is a modest letter because she is a new Member. I would have been far more strong in my words. However, she was polite, modest, thoughtful and caring in an attempt to get some action. I would have simply kicked the slats out of you. I will do it tonight because you deserve it. More than anyone else in the Government you deserve it. You deserve the slats kicked out from you.

Mr. Speaker: Whether the Hon. Minister deserves that or not, the Hon. Member will have to address his remarks to the Minister through the Chair.

Mr. Barrett: I would never remove the slats from the Speaker's chair. I want to make that clear, Mr. Speaker.

I want to quote from the body of this letter addresssed to the Minister on January 31: It reads:"I along with other Members of Parliament from Vancouver Island call for an immediate public inquiry into the circumstances surrounding the oil spill and the resultant response. Clearly there must be a comprehensive examination of the facts to determine how and why this happened, how and why the federal Government took so long to respond and how we can ensure a quicker and more efficient response in the event of another oil spill in the future".

The Minister talks about the Prime Minister (Mr. Mulroney) being recognized around the world as an expert on preventing pollution. We heard a technical response tonight concerning the number of boats we have that do not have holes and are available to do the job. We are told about equipment in various warehouses. This letter was not even acknowledged by the Minister.

For the Minister to get up in the House and give that pious, sanctimonious camp in front of all Canadians and expect us to believe that he understands what this is about is nothing more than straight hogwash. I wish I knew how to say that in French, but it is hogwash. You are a failure, Mr. Minister. I say that through the Chair, Mr. Speaker.

The Minister should resign or be fired immediately. If there is to be any confidence left in the Canadian people that the Government is serious about dealing with oil spills, let us get a Minister who understands something more about an oil spill. The only slick he knows is on his pillow when he gets up in the morning.

The Minister stood here tonight and gave us a catalogue of actions that should be taken. He said there was an immediate response to the little spill on Vancouver Island to which he referred. The troops at Esquimalt Base were ready to go up there on the coast. They were waiting for the call from the Minister and the Government, but no call came. Seventy-five troops could have been on the ground within 48 hours, but no call came. Tell us why. We had to rely on volunteers, and they were treated very badly.

Let the Minister tell us about his trip there. Tell us how you spent time walking on the beach as the Minister symbolically representing the Government, showing yourself and letting people know you were concerned about that oil spill. Tell us how it struck you deep in the heart and how it concerned you so much that you asked for an inquiry. The Minister has not done a thing about it.

Furthermore, there is a joint contingency plan with the United States. There is already in place an international agreement. The United States Coast Guard was ready, on call, and willing to help with all its mobilized equipment, talent and skill. It never received a call from the Government or the Minister for the help it was ready to give.

The case against the Minister is concluded, in my view. If Canadians had a vote about it, the Minister would be guilty as a failure. There is not much point talking to him about this, even through you, Mr. Speaker.

Let us go back into some history. There are some Members in the House tonight who were here in the late 1960s. The Leader of the Opposition (Mr. Turner) was one of those Members. The Alyeska-Alaska pipeline was the subject of a major debate in those days. One of the few Members in this Chamber, along with other Members of the New Democratic Party and a certain Member from Vancouver South who cannot be named, understood the dangers of moving that oil down the coast. One of those Members was the former Minister of Finance in the Liberal administration. He acknowledged publicly that there was serious concern about shipping oil off that coast. The Member for Vancouver South acknowledged that. However, they were not persuasive enough to stop the Government of the day from agreeing to that coastal shipment of tankers. However, both those Members had foresight. They expressed and put on record their concern, and I double-checked that.

• (2220)

When there was the expectation of a spill, most people said that it was just scare-mongerers who were suggesting that. A few Members including the two I have mentioned said that it is more than a scare. This is the one time I am sorry history has proved that those two Members were right, along with NDP Members.

At the same time there was a debate happening in the British Columbia legislature. We begged, we literally begged the federal Government to oppose the oil tankers travelling off our coast. We were challenged as a Government to come up with an alternative in response. We did. We suggested that the oil be moved by rail. We called in Cecil Law of Queen's University, an expert on ground-guided transportation, and we developed and proposed a plan and I went to Washington, D.C., to sell it. It was laughed at by all except for a few Members here. It is gone, it is over. It is one of those situations in which I can honestly say, I told you so.

But that is history. We must understand that history to know that there were voices in this Chamber who warned some 22 years ago that this exact thing would happen. Now we are struck by the fact that we are having an emergency debate on the very accident some said could not happen.

For all this pious claptrap from the Ministers who say, "Our experts tell us this and our experts tell us that," the Exxon experts told us this could not happen. I saw the first interview of the Exxon president on United States public television. He was saying that this did not happen, he does not believe it, it could not happen. It did happen and it will happen again.

With all this pious nonsense about greater technology, greater ability, greater surveillance, the fact is that I spoke to Mr. Smiley in Washington, D.C., the Exxon spokesperson on this particular spill, and I asked him what can be done. He said it is too late to burn it, it is too late for chemicals, it is out of control and we cannot do anything more than we are doing now. So what is this stuff from the Minister of Fisheries (Mr. Siddon) and the Minister of Transport (Mr. Bouchard) saying we have 24 depots with generators sitting there and we have straw and we have these winches and we have all this stuff ready to go? It is pious nonsense.

It would have been better for the Canadian people to hear the Minister and a government spokesman say, "Look, it is a disaster, we are incapable of dealing with it and we are committed openly to having a public inquiry, not just on the West coast spill, an opportunity we have lost, but a public, open inquiry right now in front of all Canadians so that step by step we can find out what went wrong and do everything humanly possible to see that it does not happen again."

I would expect to see this Government immediately launch criminal proceedings in the United States against the perpretrators of the spill in Washington State that damaged the West coast of British Columbia, immediate legal proceedings. I would expect that the Minister of Justice (Mr. Lewis), who is concerned with protecting the Canadian people, will announce that if one square inch of Canadian territory is affected by one oil blob, there will be legal suit against Exxon and those perpretrators of this oil spill.

It is not enough to talk about sending 15 otters down to the aquarium in Vancouver as some kind of humanitarian gesture. I can see all the Ministers going out to Vancouver now for photo opportunities, rolling up their sleeves and scrubbing a little otter, saying, "This is my share of cleaning up this mess." I do not want to make light of the damage to the otters, but that is hardly worthy of a Government whom we expect to protect the environment.

Mr. Smiley, the Exxon co-ordinator of spill management, also acknowledged that, to his knowledge, at no time has the Canadian Government invoked its part of the joint treaty on this current spill and asked that it be not only just an observer there but that every piece of equipment that it claims it has be on site and helping. They have never even asked for that and yet it is part of the agreement.

This emergency debate is important, not only because of the oil spill. It is important for the Canadian people to understand that the same falsehoods told to the Canadian people during the election campaign only to be ignored after the Government's re-election show the same pattern of behaviour on the part of this Government when it comes to the pronouncements it has made on the environment.

Was it four months ago or six months ago that we heard those pious statements, "Vote for me and I will be angelic. Vote for me and I will do all of these wonderful things"? The newspapers coming out lately are saying, "Oh, well, we have to scrub all that stuff we promised. We did not tell you the truth then, there will be tough times now." I approve of tough times. Let us get tough with the oil companies, not with the people of British Columbia.

No one has a monopoly on what is good or what is decent. No one expects the Government to be responsible for everything. The Opposition's responsibility is, of course, to attack the Government. We are not blaming the Government for the oil spill, but we have every right to condemn the Minister for the inaction after the oil spill took place.

What is the alternative plan of the Government to appeal to the Americans to avoid these spills? Will it demand that the International Court at The Hague provide that no tanker leaving any port anywhere in the world will ever leave again without a certified pilot at the wheel and that it would be criminally responsible of the owner of the tanker if one did? Would they be prepared to go to the court at The Hague and assure us that when every tanker comes back into Canadian waters, there is a pilot on board?

Many Hon. Members here do not know beautiful British Columbia. They think it is some distance away and that it is such a vast coast that nothing could hurt the area. My good friend, the Hon. Member from Hamilton, talked about this happening in Toronto or in the Seaway. Let me ask this rhetorical question, Mr. Speaker. What if it happens at Cherry Point 30 miles south of Vancouver in the Strait of Georgia out of the Strait of Juan de Fuca, a contained oil spill that would destroy fisheries, feed stock, herring and the fry coming down from major river estuaries to feed our commercial salmon industry? I do not have to tell you, Mr. Speaker, what a disaster that would be, but that is where the next spill will happen, and it has already happened there once. We had high school youngsters on the American side of the border cleaning up that spill a few years ago.

This is a very serious matter. It is not the Government's fault, but the Canadian people expect action, not nonsense and pious statements. The first and best action would be to fire the Minister of the Environment who has completely failed up to this point. As for the Minister of Transport, let him explain how he has cut back in his Department. He says, "Our ships are ready to go," but how many ships does he have?

The last great amount of shipbuilding in this country has been on the East coast and it has been for Canadian frigates. It was promised four years ago that a Canadian Coast Guard vessel, the *Polar 8*, would be built off the British Columbia coast. They have not even laid the keel yet. Is there a suggestion that perhaps Quebec will get that contract? I do not want to believe that, but if they are building frigates on the Quebec coast, they can at least complete that extra Coast Guard ship that has been killed month after month by this Government. If the Minister truly believes that he is committed to developing a Coast Guard, why have not we had that *Polar 8* contract granted to the Province of British Columbia?

Do you not know where we are, Mr. Speaker? We are part of Canada too. We belong to the family of Canadians. We do not make any special appeal. We do not demand something just because we are where we are. But when something happens to us, we expect fairness, decency, responsibility and understanding, and we sure as heck have not seen that from this Government when it comes to the oil spills off the West coast.

I want to conclude by just making a few remarks about the results of the election in western Canada and the election of a Reform Party candidate who is sitting over there. Yes, there is just one Member. Yes, it is just a little rump group. It is the voice of the West, along with other election results, saying that this federal Government is a failure. Right wingers voted for reform candidates. They ignored the Liberals. The centre and the left voted for New Democrats. There are 19 New Democrats here from British Columbia, Mr. Speaker. Do not think it is an isolated provincial Party after the next federal election. Unless this Government moves there will be dozens more NDPers right across this country, including the Province of Quebec, where you have been a failure, Mr. Speaker.

• (2230)

The politics of pollution know no provincial boundaries. I warn you, Mr. Speaker, that the people of British Columbia and the people of western Canada expect more from a government, more than what this Minister has shown. I am proud of the Hon. Member for Skeena forcing this debate. I am ashamed that the Minister had to respond in this debate instead of leading it with a statement long before today.

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I found it very interesting listening to the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett). I am very pleased he was not blaming the Government for the oil spill because having listened to some of the debate earlier this evening I think those Canadians who were listening to it might have had the impression the opposition Parties were somehow blaming us for a very tragic event that took place near Valdez, Alaska. Certainly it is not the Government's fault that it happened. That is not, of course, to underestimate the great concern we have as Canadians and as a Government about this very tragic incident. What is particularly of concern in my mind is that obviously it appears as though it were the result of human error. It was not an act of God. It was not necessarily weather conditions, it was what appears to be the possibility of untrained or improperly trained personnel taking the ship into an area where it should not have gone.

I guess as a Member from British Columbia and having represented Capilano—Howe Sound for the last five years I can assure my colleagues of the great concern that I and my colleagues from British Columbia have about environmental issues in our province and particularly the oil spill in Alaska and the earlier oil spill that took place off the West Coast in January. I think that tonight during this debate we want to let Canadians know what happened, what actions are being taken, and also to discuss what might possibly be done in the future to prevent these kinds of tragedies taking place. As my colleagues, the Minister of Fisheries and Oceans (Mr. Siddon), the Minister of Transport (Mr. Bouchard) and the Minister for the Environment (Mr. Bouchard) have said, first we have to recognize that it is extremely unlikely—although nothing is impossible from all of the evidence we have at this point—that any of the oil from this recent oil spill will actually hit the coastal waters of British Columbia and have a direct impact there.

Again, that is not to lessen the impact the spill will have in the Alaskan area and on some of the fish and the wildlife of that region. But there is work going on now by the Coast Guard and the Fisheries Department. They are tracking the oil and maintaining constant vigilance on what is occurring to weather, wind and wave conditions and the direction in which the oil is going. If, for example, either at this time or in the future there is an oil spill or if oil should come into Canadian waters I think Canadians want to know whether we are prepared. The Ministers of Transport and Environment have talked tonight about plans in place. They are not perfect. Nothing is perfect. I worked for a number of years in the Beaufort Sea and worked on oil spill plans and environmental issues.

I know that all of the efforts that the best brains you can find can put together do not necessarily work under all conditions. That is one of the reasons you spend a lot of time on research and you go through exercises to work out different kinds of situations and simulate those kinds of exercises. I want to say as well, as the Associate Minister of National Defence, that if an incident such as this were to occur, the resources of my Department are on alert and would be made available. We have provided offers of helicopter and surveillance assistance in Alaska as we did on the West Coast, and additional resources can be made available if they are requested.

What potentially is the impact of this oil spill on Canadian wildlife or fisheries resources? The Minister of Fisheries has referred to this. We do not know the total answer to that yet. We know that in Alaska volunteers are working with the help of Environment Canada on many of the birds which have been oil soaked. That is a very tragic circumstance but in terms of our own fisheries resources, the information that we have at this time is that for the salmon, the salmonid and the herring, Canadian resources will not be affected, partly because of the time of the oil spill and the timing of the salmon runs. Nevertheless, we will be monitoring those kinds of situations very carefully.

I would like to assure Canadians at this point that with the information we have now and the continuous monitoring that is under way it does not appear as though there will be any adverse impact on our own fisheries and wildlife resources. Can these incidents be prevented in the future? I was heartened by the Minister of the Environment and would take issue with my colleague across the floor, the Hon. Member for Esquimalt—Juan de Fuca, because I do not think he listened to the Minister of the Environment. Perhaps he has not been listening and reading what has been emanating from the Environment Department and the kinds of commitments this Government has to the environment. As the Minister has said, we have to review, as is done on a continuous basis, response plans. One of the lessons learned from this particular incident is that you have to respond quickly in the first 24 hours. That means resources have to be available. The human planning, something with which we in the military are very familiar, has to be in place so that there is an automatic response. You have systems set up. You do not have to wait for telephone calls or for people in authority. This has to be worked on.

I know that in the Beaufort Sea, as the Minister indicated, the resources that we have could be made available. This kind of exercise and simulation has been under way for years. We hope we never have to use it but you need to have that kind of plan and exercise going on in order to be prepared.

The development of technology is another point. Some people I have heard tonight have said that technology cannot assist. I disagree with that. There is oil spill containment technology on the market which is being developed. Again, depending on the particular weather and wave conditions this can be very effective. Skimmers and booms obviously have to be used in the right kind of conditions. But in many oil spills we have had in the past those things have been used. The development of those kinds of technologies has to take into account the scale of the incident. In this coming year B.C. will be hosting a major show on environment and technology which will provide the opportunity for a showcase of the kinds of technologies and the kinds of expertise available. This show is coming up in Vancouver. We need to do more work with the private sector in this area.

The Minister has indicated a review of the tanker traffic should take place. I know when I worked in the North there was talk about the possible development of an oil pipeline, but there was much opposition to that idea. In retrospect perhaps it is too late now because the resources in Alaska may not last long enough to make economic sense, but perhaps in other situations we should be looking at the alternatives to tanker traffic, and that pipelines can be a more appropriate response.

• (2240)

For example, I look at the proposed Vancouver Island natural gas pipeline. When it is constructed, that will provide an alternative to bringing in the bunker fuel tankers to Vancouver Island, traffic that in itself has potential for hazards. Training of personnel is something that came to light in the American jurisdiction, and we obviously always need to be looking at having properly trained people in charge of our ships, and rules and regulations which would ensure that the types of incidents, the use of alcohol, which should be totally prohibited in those situations, would not occur in British Columbia, or in our Canadian waters.

It has been mentioned several times by other Members that perhaps we should be looking again at the offshore drilling off the coast of British Columbia, and the maintenance of the moratorium. It is my understanding that the Province of British Columbia and Premier Vander Zalm have indicate that they wish to retain that moratorium. In light of some of the recent incidents, that may make very good sense.

Canada's continued opposition to the Arctic natural wildlife refuge, and the proposed drilling in Alaska is something that both our External Affairs Department and Environment Department have been vigorously opposed to because of the concerns, the fragility of the environment in that region, and again the potential for environmental disasters is also something that needs to be looked at.

Finally, the Minister of the Environment briefly talked about the Speech from the Throne yesterday, and the type of commitments to the environment contained in that Speech from the Throne, a commitment that was not new to the Government, a commitment to sustainable development. If we look at the root causes of some of those reasons, it relates to our heavy dependence on fossil fuels, the types of lifestyles that we live, and the fact that in the past we have not looked seriously enough at the alternatives. Some of those alternatives are now coming within the possible horizon of realities, whether it is fusion or fuel cell technology, which perhaps in another generation can be a reality and provide substitutes for fossil fuels so that we will not be as reliant on them, or not be as much at risk from the types of accidents that have occurred most recently.

That is the commitment that this Government has made. It has established a centre in Winnipeg, the ongoing programs of our Minister of Environment to encourage Canadians to use environmentally safe products, and a whole variety of measures that we will be undertaking in the future. The Member for Esquimalt—Juan de Fuca (Mr. Barrett), rather than criticising the efforts of the Government, should be applauding our Minister of Environment, a Minister who has stood up for the environment both here in Canada and internationally.

Some Hon. Members: Hear, hear!

Mrs. Collins: The Hon. Member should also applaud the record of the Prime Minister who received an award recently in The Hague, and I know that he will soon be receiving international awards for the commitment to the environment and the leadership role that this country has taken.

That is the type of leadership and commitment which I can assure the members of the House and Canadians who are sharing this evening with us will be continued, a commitment not only from the Minister of the Environment, but from all Departments, a greater sensitivity to environmental impacts of all decisions of government, whether it is in my own Department of National Defence, or in my colleague's Department of Transport. Throughout the Government every effort will be made to prevent the types of incidents which have occurred in the last few months, for example, the Valdez oil crisis, and build up and improve our capability to deal with incidents of this nature, a capability of which I am very proud.

We have done perhaps better than any other nation in the world at this point, but it is not yet at the level which I think we will probably need in the future just to ensure that level of comfort. In my own view prevention is worth a pound of cure. That will be the emphasis of this Government, this Department, and this Minister.

Our speeches have been cut back in the second part, and we will not have an opportunity to go into some of the details in terms of fisheries and wildlife that I know others will talk to a little later.

In conclusion I would like to say that the incident in Alaska is a tragic incident. We know that the impact on the people in that area, and the impact on the wildlife is extremely unhappy. I have worried when I see school children, as we had on the West Coast, with otters or sea birds that have been impacted by this oil spill, or perhaps have been killed by it.

However, we have to learn a lesson from all this, and find ways that it will not be repeated, whether it is through changes in response, developments of new technology, improvements in the way that tankers are operated through our waters, and a whole increased sensitivity to these issues on the part of the Canadian public and on the part of all of us in the House. That is an assurance that I know I can give on behalf of our Government and on behalf of my colleagues tonight.

The Acting Speaker (Mr. Paproski): On a point of order the Hon. Minister of State for Fitness and Amateur Sport.

Mr. Charest: I have not had an opportunity to speak with my colleague, the House Leader for the New Democratic Party, so I will speak slowly and maybe he will have a chance to hear me verbatim. I have had a chance to speak with a representative of the Liberal Party. If it is agreed, and I think you will find that that is probably the case, from now on the House would entertain a change in its proceedings to 10-minute speeches, and beyond hours until the last person has spoken. All of this is in recognition of the importance of this issue for the House of Commons and for Canadians.

Mr. Gauthier: Mr. Speaker, I am very pleased the Minister agreed to this type of arrangement. I take it that there will be no objections at all from this side of the House.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Mr. Fulton: Perhaps you can just clarify for me, Mr. Speaker. I just came through the lobby and I know that the House Leader is not here at the moment. I understand he was involved in the discussions.

Mr. Charest: Yes.

The Acting Speaker (Mr. Paproski): So agreed.

The Hon. Member for Kent.

Mr. Rex Crawford (Kent): Mr. Speaker, I welcome this opportunity to speak in the emergency debate on the Valdez oil spill. As my colleagues on this side of the House have stated, the worst spill in U.S. history will prove to have devastating effects on the economy of Alaska and most certainly the wildlife of the West Coast.

It will also force a serious re-examination of the policies governing the transportation of oil, and force us all to re-examine the question: "At what cost development, at what cost to our precious environment?" We must face the issue of sustainable development head-on.

Forty-two million litres, 270,000 barrels of oil, have been spewed by a supertanker that ran aground two weeks ago. Fishermen fear for their livelihood. They fear for their future. Alaskans are asking why it happened, an accident that could have been prevented.

We praise the massive community effort to skim their waters with equipment at hand. Exxon officials seem to be more interested in their public relations and profits than our environmental safety. Environmental groups say that the oil industry has been misleading the North American public for years about the dangers of shipping oil, and being utterly and hopelessly unprepared for this catastrophic environmental disaster.

Ecologists have been saying for years that supertankers used should be specially built for the unique and risky job in that area of the world. The oil industry has constantly and consistently refuted that argument and saying "Everything is fine". No one thought a spill of this magnitude could even happen.

Even Jacques Cousteau has said that the ships currently in use are time bombs. For 30 years Mr. Cousteau has been pushing and pressing for reform of security standards for ships of this type, and better training for sailors and officers.

It is clear that Exxon and the American oil industry were entirely unprepared for a spill of this magnitude, in spite of their words of assurance.

• (2250)

We know that employees working for the Alaska Pipeline were fired when they complained about cut-backs in its program to clean up oil spills. Let this be a message to the Canadian Government, "Cut-backs are dangerous!"

A six-volume environmental report prepared by the U.S. Department of the Interior in March,1972 predicted that oil spills were inevitable. It stated there would probably be more than two million litres of oil spilled along the West Coast. So even then we knew the dangers, and Exxon took the risk without being prepared.

My heart goes out to those fishermen and conservationists who must now face the destruction of the Alaskan habitat and live with the spill's long-term effects on wildlife. I come from an area of Canada where an appreciation and a love of nature is paramount. I live alongside a native reserve where fishing and trapping is a way of life. Even in my riding, spills of another kind have had a terrible impact. Watching the scenes of wildlife devastation on the nightly news shows us how fragile our

environment really is. We can never assume the strength of Mother Nature.

In closing, let me say as associate Liberal environment critic, we have heard all the dramatic and emotional aspects of the oil spill here in this emergency debate. But the question that Governments seemingly never ask: "Why do the efforts to control these disasters always have to be so disorganised and impromptu?"

As a recent editorial in the *Montreal Gazette* stated, there are no "Red Adairs" for oil spills. His sort of specialisation is absent when a tanker leaks. Then, relief operations are almost always "seat-of-the-pant" affairs. Experts often are sent too late—and they are not truly experts. I join with the Member for Hamilton East (Ms. Copps) as we support the call of the Leader of the Opposition (Mr. Turner) that the federal Government launch high-level talks with Washington on better ways to control West Coast supertanker traffic.

This oil spill is a disaster of deadly proportions for the delicate environment of the Pacific coastline. As the assault on the environment continues, it seems that most of us are powerless to do anything, but our Government isn't. Canada should accelerate its fight against U.S. plans to drill for oil in the Arctic Wildlife Refuge near the Yukon border.

Environmental groups say that if drilling were to go ahead there, thousands of caribou that migrate across the border each year would die, and a way of life for native Canadians in the region would be jeopardised.

We must all ask ourselves as Canadians, what price do we pay for economic development, and at what cost to the environment? Human error and incompetence have caused decades of devastation. The Valdez oil spill should never have happened.

Our environment has been neglected, taking a back seat to many other issues. This spill graphically illustrates that a concern for the environment should be first and foremost in our minds. How many more spills like Valdez do we need to make us take constructive and long-term measures rather than defensive, short-term measures?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, thank you very much for permitting me to make a brief contribution to this debate. How easy it is for all of us to be caught up in the emotions that are associated with an accident of the magnitude that we are discussing tonight.

Perhaps at the end it would matter little whether this accident occurred in the South China Sea, whether it occurred off the coast of Alaska or off the coast of Canada. The emotions we feel here tonight are associated with watching nature as it reacts to the damage that humankind has once more inflicted upon it.

I am very angry and saddened about the fact that people charged with the steering and operation of such large systems can be so careless of the discharge of their responsibility, how people can be so careless and how they warrant being charged with the sensitivities of a system that is bound to fail when humans fail. I am angry about our inability to do something about this disaster now.

The fact is that no matter what we talk about here tonight and whom we attach blame to, when an accident like this happens, when nature decides to take over and you have three-metre waves, there is no effective response. I am saddened we did not respond in the first 24 hours when there was a calm sea, when the oil could have been contained around the immediate area where the accident took place. I am saddened and angry that the people responsible did not have the facility in place. Yes, I feel the kind of anger that comes with having to stand by, as the Minister of the Environment (Mr. Bouchard) has to do and others who were on the site, helplessly watching as dead animals are being washed ashore.

I wonder if anyone has ever seen a bald eagle thrash around in the bush after it has digested the cadaver of a dead animal which is polluted with oil? It makes you very emotional and angry.

There is another thing that makes me angry tonight. I am reminded of the scene of an accident that I came upon, a head-on collision between two cars. There were two people lying there bleeding out of every pore, every bone in their body broken. Nobody knew whether one or both were dead. There were two people standing there fighting about whose fault it was. That is what the Opposition is doing here tonight. They are standing here attaching blame. They are arguing about whose fault it is instead of arguing about what we can learn about this megadisaster, arguing about what we can do to avoid these kinds of things from happening in the future.

Yes, I too was here when we discussed pipelines. The shrillest voices came from the red rump over there. Those were the voices against pipelines in the North and the options to transport oil. Yes, we talked. I remember sitting in the committee.

You people are primitivists. You shut it all down. We all live by a lake somewhere in a log cabin, the smoke curling to the sky. We do not need any more fossil fuel. We do not need any more power dams. These are primitivists sitting over there. They were up on the north shore of Alaska saying you cannot build a pipeline here.

I recall sitting in the committee. There was a very arrogant, aloof witness who pointed out these tankers going up and down the coast. They were talking about the strategy of getting oil down to the lower 49 states. They were worried about not being secure having a pipeline through Canada; so they would rather have tankers going up and down the coast. As if that was a strategic system. Can you imagine, if we ever got into a conflict, how easy it would be to blow these tankers out of the water and mess up all of the coast and the rest of North America? The reason they did not have any trust in us is because of these primitivists who had ideas that you should not be harvesting oil in the north, that you should not bring it down.

I would very much prefer to sit down and talk about the alternatives that we have. There are those who say in ten years from now you will be driving your automobile up to a service station or to a grocery store and purchasing a solid hydrogen fuel cell which you plug into the side of your car and which allows you to drive for two or three weeks. These are all things that are perhaps 50 or 75 years away.

• (2300)

Ms. Copps: That will require research.

Mr. Oberle: We are now speculating about nuclear fusion at room temperature. Can you imagine, Mr. Speaker, what that will do? Yes, even the Hon. Member from Hamilton will perhaps in her lifetime see where oil and fossil fuels will be used for synthetic conversion and no longer be burned up in our smoke-stacks where they pollute the environment.

The fact is what could we do tomorrow. What have we omitted to do in the last 10 years, and what can we do in the next 10 years? Let us pull out the old plans. The former Premier of British Columbia did go to the United States. I recall the headlines. He was promoting a railway to Prudhoe Bay,—tank cars. My God, I suppose there would have been little platforms for moose to get on and take a little hop to the next pasture. It was a haywire idea. Nevertheless, I give him credit. He did fight the tanker routes, as we all did at the time.

You will recall, Mr. Speaker, that from 1968 to 1972 Conservatives were not in this House. It was the New Democrats and the Liberals who made all these plans and all these agreements. Now they are blaming us for it.

The fact is that this is an accident of monumental proportions. It is an accident from which we can now do nothing but learn lessons. This is an accident as a result of which we should all get together. When an accident occurs, when an airliner crashes, be it a Soviet airliner, a Korean airliner, an American airliner or be it an earthquake that occurs, we get together to pass a unanimous motion to send aid. We do not worry about whose fault it is or what the consequences are or could have been. The feeling is: "Let us go to see how we can help". Let us go to see how we can help. Let us have a debate, as we are having tonight, in a rational and reasonable way and take politics out of it.

The resignation of a Minister will not scoop up one drop of oil. It will not save the life of one muskrat. It will not save the life of one fish. The Minister had nothing to do with it. If anybody is to blame, it is those people who laid these great designs and schemes in the past. Let us not worry about the past. Let us worry about the future. There are alternatives. By being reasonable and by offering to debate, as we have, and by meeting with people and doing so in a rational and responsible way, we may convince our neighbours that we have a common coast to protect, that we have an attachment to our environment that is part of our Canadian psyche, part of our Canadian culture. We have the right to protect it. We have the right to have it respected by our neighbours.

Our neighbours are just as concerned about the environment. It was said by our friends here today that they were much more active in cleaning up the Grays Harbour spill on their own coast. They are just as concerned as we are. The fact is that we are tied to this source of energy. It represents 20 per cent of the entire needs of the United States. It is strategic to them. They will have to get this oil down there. Let us offer some alternatives. Let us sit down to work out new guidelines.

I recall that when we talked about these tankers, there was this arrogant person I was telling Hon. Members about who was sitting there. When I raised the issue, there was this sort of aloof smile as if to say: "How can this lumberjack from British Columbia know about all these satellite guiding systems that would be steering these tankers? There would be no room for human error. It just would not be possible with all this new technology that we have guiding these systems. Do not worry". We all know that accidents do happen, that

systems fail, that humans fail and when it does happen we are saddened and angered by it.

I know that there are alternatives to securing the energy requirements for ourselves and for our neighbours in North America. I know that all of us must work hard to develop alternatives to the system to which we are tied now. Our scientists are working hard on that. Let us not be naive to think that we can do it next week, next year or even 10 years from now. For some time we will be tied to the system that has been built over the last 100 years. We will be tied to develop the best possible technology to make sure that these accidents do not happen. Yes, I will be the first to speak anywhere in the country, here in the House and in Cabinet to make sure that we learn a lesson from this accident, that we will discuss what we have learned with our neighbours and insist that the system be improved to the point where a disaster of this magnitude will never happen again.

Some Hon. Members: Hear, hear!

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I want to state tonight that I bet the people of the United States are saying no to the Chairman of Exxon and his apology that he splashed over every American newspaper on Monday. Buying full page ads does not compensate for anything.

The day after the spill occurred and the Alyeska pipeline was closed, the oil price went up and Exxon actually made a profit. What about the rest of us? This is the largest oil spill in North American history. It has serious implications for Arctic regions around the world, for much of the western coasts, for marine life and its food-chain, and for oil and gas activities, particularly in remote and sensitive regions such as the region I represent. This is not just a simple error by an insignificant company as a result of which a few Americans, some birds and some fish have been victimized.

As the Member for Western Arctic, I can say that this tragedy has a direct bearing on the region of Canada from where I come. I want to tell the Members what has taken place in the Beaufort Delta since the accident on Good Friday and the contribution which Canada is making to its neighbours which closely borders my riding. Four Hercules planes have been expedited from Yellowknife and Inuvik with equipment to help with the clean-up of the Valdez tanker spill. Last week I attended a meeting in Calgary of the Arctic Institute of North America of which I am a board member. The oil industry people who were present there led us to understand that the members of the Beaufort Co-op, which consists of Amoco, Gulf and Esso, offered their oil spill equipment and Exxon refused any assistance until Tuesday, five days after the catastrophic spill. They simply did not move fast enough.

Mr. Speaker, 240,000 barrels of oil had spilled from a tanker which had gone aground due to human error and gross negligence. The company said that it would manage on its own. From all indications it has not managed at all.

Another week later Exxon accepted the Canadian offer and the Beaufort Co-op sent miles of fireproof booms, igniters, heli-torches, storage burners and saci burners from the Canadian north to the Port of Valdez. Three Canadians have gone with the equipment to help with the deployment and mobilization. These three people have worked in the North quite extensively. One comes from a community in my constituency, a man by the name of Jack Goose from Aklavik. It seems remote. It seems out of the way and maybe insignificant—perhaps not even possible—but these people in the North have something to contribute.

I want to talk briefly on the comparisons of this spill with the oil and gas activities taking place in the Beaufort Delta region. I recently submitted an intervention to the National Energy Board on the applications by Esso, Gulf and Shell to export gas from the Canadian Arctic. Thus I feel close to the subject. I have some knowledge of it. As well, I was living in Tuktoyaktuk near the Beaufort Sea on the Arctic coastline in the mid-1970s when industry began its offshore activities in the Beaufort.

I am originally from Fort Norman, a small community near Norman Wells, site of one of the first oil discoveries in Canada in 1921, and which is now in production with a pipeline which was constructed in the early 1980s from Norman Wells to Zama, Alberta. Therefore I am familiar with what happens when a small traditional community whose residents basically depend on hunting, trapping and fishing is faced with large scale development. I remember when the Alyeska pipeline was being constructed from Prudhoe Bay to Valdez. There was a lot of controversy, but in particular the people in Valdez did not want a major oil tanker port being built in their area. Valdez is a marine sanctuary like no other in the world. Sea otters, which are a threatened species, live in the waters of Prince William Sound, the water next to Valdez. There are only 12,000, and as the number of dead otters increases, this has implications for their population world-wide.

• (2310)

A pod of killer whales had been sighted going through the water where the oil lies, birds and fish are dying, and yesterday a dead deer was found on a nearby island with its intestines contaminated. Deer are at the top of the food chain. That means that not only animals which are covered with the oil are being affected, but those which depend on other animals in the chain for food are impacted as well.

There are 6,000 Alaskans in that region who depend on the fishing industry for their livelihood. There are two industries, oil and fishing. Why Mr. Exxon thinks he can compensate those residents is ludicrous.

The oil that has spilled from the tankers is thick and waxy because it has been highly heated to flow through the pipeline. Therefore is going to stay in that water and along that coastline and have devastating effects for years to come. Those fishermen cannot be reimbursed by a cheque from Exxon. Those people cannot be compensated for a way of life gone bad.

Exxon, one of the largest multinational and powerful companies in the world cannot right this tragedy. They have done virtually nothing to mitigate the impact on the wildlife or the people.

There was an individual who under unfortunate circumstances brought about the spill. I think it is up to the Government to take some action. The man in charge was a third mate who did not even have proper qualifications. He was 10 miles off course. The Exxon *Valdez* tanker was two years old, and was supposedly of a state-of-the-art design with the latest navigation equipment, but was not even double-hulled. The best tanker that Exxon has in its fleet did not have the technology in the place where it truly counts.

Some Hon. Members: Hear, hear!

Mrs. Blondin: We need high level international dialogue to deal with this devastating situation. Since Valdez opened in the early seventies, over 5 billion barrels of oil have been shipped from that port, 2 million barrels per day for one quarter of the U.S. consumption, and Exxon cannot invest in proper equipment, trained personnel or come up with a half decent contingency plan. I hope that we have learned from this.

President Bush sent his personal advisers to Alaska to get a first-hand look at the catastrophe and they returned to Washington within two days to report that all was well. I hope Canadians will never be overpowered by a giant corporation like Exxon which has abused its power in the United States. Despite this and without a review of the entire event, President Bush says he will continue with plans to drill oil in the Alaska wildlife refuge. This attitude shows absolutely no care and no stewardship for the environment that we as Canadians need to consider. This crime against the people of northern America and the environment adheres to no man's laws when things go wrong. The kinds of situations that arise adhere to no man's laws. They adhere to no man's boundaries. International agreements have to be struck. There has to be high level international dialogue to deal with this problem and it has to be done now. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Kim Campbell (Minister of State (Indian Affairs and Northern Development)): Thank you, Mr. Speaker. The hour is late and I do not want to repeat some of the very excellent comments made by my colleagues in the House this evening or to be redundant, but I think some of their insights bear some repetition.

There are times when the adversarial nature of the proceedings in this House are sadly inappropriate. By tradition the distance between the two sides of this House is two sword lengths, but tonight it might as well be a million miles. We are discussing the tragedy that concerns all of us, but the opposition Parties cannot resist creating conflict where there ought to be common purpose.

I believe the Canadian people want to see co-operation in responding to the issues raised by the Alaska oil spill. They are impatient with shrill partisanship and a holier than thou posturing. What the opposition Parties have given us tonight is a depressing mixture of distortion, cant and selective amnesia. Some of my colleagues have already stated a proposition that runs counter to the natural reflexes of the members of the Opposition. That proposition is that the Government of Canada did not create the Alaska oil spill. It should be obvious, but you would never know it from the tone of the Opposition. I think it is important to reflect on the moral premises underlying much of their commentary this

evening. There is something wonderful about the spectacle of the members of the Opposition distancing themselves from industrial society.

The Member for Skeena (Mr. Fulton) talks about the need for alternate means of transport for Alaska oil, but it was his colleagues in the NDP who opposed a pipeline to transport that very oil which is now transported by tanker. Of course they have the luxury of never having to make difficult decisions about how to get Alaska oil to markets. They can be purer than pure, but their leader comes from a riding that earns its wealth from the production of gasoline burning automobiles. Are the NDP prepared to say to Bob White and his auto workers that they oppose the internal combustion engine because the transport of oil creates an environmental hazard?

The Right Hon. Leader of the Opposition (Mr. Turner) takes equal advantage—

Some Hon. Members: Oh, oh!

Mrs. Campbell (Vancouver Centre): I am delighted to have awakened the Opposition from their torpor.

Some Hon. Members: Hear, hear!

Mrs. Campbell (Vancouver Centre): I wish they could have done the same for me.

The Right Hon. Leader of the Opposition takes equal advantage of the luxury of powerlessness, but he did not always have that luxury. He was a member of a Government that was so concerned with the provision of gasoline and heating oil to central Canada that it enforced a policy supported by the NDP that expropriated over $1 billion in wealth in western provinces.

Would the Right Hon. Leader of the Opposition be prepared to tell the people of central Canada that they cannot use natural gas or heating oil because of the perils involved in their transport are so high? I think not. We all live in an industrial society, and we collectively bear the responsibility of reconciling the imperatives of that society with the survival of our planet, but it is that responsibility which is embodied in the concept of sustainable development which is the foundation of our Government's commitment to environment in the Throne Speech.

As my colleague, the Associate Minister of Defence, has pointed out, that commitment in the Throne Speech is a very specific and constructive one. The Minister of the Environment has spoken of the honouring of Canada and of the Prime Minister by countries at The Hague conference on the environment. It is sad to see how partisanship can blind the Opposition to the genuine respect earned by our own country on this issue. This does not mean that we are perfect. It means that our efforts in technology and policy are admired around the world. Much reference is made in environmental circles these days to the Brundtland Report which defined the concept of sustainable development. No indoor station is of more value in environmental circles these days than the benediction of St. Brundtland of the environment. Yet Norway is the second worst polluter of the North Sea. Much of its wealth is earned by offshore drilling for oil. Mrs. Brundtland has given no indication that Norway plans to abandon this important economic activity.

Ms. Copps: You are in the wrong Parliament.

Mrs. Kim Campbell (Vancouver Centre): This is in no way to diminish the achievement of the Brundtland Report, but simply to point out that the task of translating environmental enlightenment into policy is not easy.

I think it is also unfortunate that members of the opposition seek to take ownership of concern on this issue. The concern is that of all British Columbians and of all Canadians. The Member for Skeena in his opening statement refers to the Nustuqua spill and its effect on Vancouver Island.

• (2320)

No one has a monopoly on concern about that event. My family were pioneers on Vancouver Island. I am the fifth generation of my family to live there. The clients of my ministry have been there for hundreds of generations. I do not think there is any difference in the depth of our concern and our horror, and the sick feeling one has when looking at the effects of that oil spill on Vancouver Island.

I went to Vancouver Island to see the site of the oil spill. While I am not permitted to mention whether the Right Hon. Leader of the Opposition (Mr. Turner) is

present in the House, I can say that he was not present at the oil spill on Vancouver Island.

I remember standing at Long Beach, talking to the volunteers who were working in a biting cold wind. I spoke to two people from Vancouver Centre who were there as volunteers, like so many others, because they cared so much about the environment. Our trip was arranged courtesy of the Speaker of the House of Commons and included Members of the New Democratic Party as well. We took a helicopter up to Nootka Point where we heard of the concern about the possible peril of the sea otter colony.

One of the impressions that was most vivid for me from that trip was the reality of the British Columbia coastline, the coastline on the east side of Vancouver Island and the difficulty of tackling an oil spill there, with the realities of the weather.

The Hon. Member for Skeena referred to the fisheries and the halibut. My first job as a student was in a fish-packing plant in Prince Rupert. I have seen the halibut up close and, quite frankly, I still cannot eat them.

The fisheries are extremely important and we are all concerned about this industry in our province. The Nestucca generated a vast and concerted effort to monitor and protect our important fisheries resource. Before there was agreement between the Parties in the House to reduce our speeches to 10 minutes, I had a very detailed statement by the Department of Fisheries and Oceans to attend to the concerns of the fishery as a result of the Nestucca spill.

After my visit to Vancouver Island to observe the spill first-hand, I was in constant contact with the Department of the Environment co-ordinator in Tofino.

I can tell you that there was a very concerted effort by a large group of dedicated professionals who were monitoring the fisheries. Some of the fisheries were closed. Ongoing research, both from ships and by divers was carried on. This kind of effort is not very appealing when it comes to headlines. It is not suitable for 35 second clips on the evening news. However, the impression given by Members of the Opposition that there was not a concerted effort to contain the effects of the spill, to monitor it and protect the fisheries is very unfair and very incorrect.

The Minister of the Environment (Mr. Bouchard) said that we have learned very much and will continue to learn from the Nestucca oil spill as well as from the Alaska spill. Among those lessons should be a realism about human efforts. No amount of technology, no number of volunteers or others involved in cleaning up oil spills in an area like the east coast of Vancouver Island or the coast of Alaska will ever be able to turn oil polluted beaches to what they were before. Only the long term efforts of nature and cleansing actions of the sea can do that. Even then we do not know how successful that will be in the long term.

We must understand the limits of human effort in dealing with those environmental events. Another lesson we should learn from these spills and our efforts in dealing with them is the futility of moral posturing. We are all citizens of an industrial society, as a number of my colleagues have stated this evening. We all take our cars home from a long day in the House and heat our houses with fossil fuels. It is of no gain in dealing with this issue about the future of our planet in posturing and suggesting that somehow we are not part of the problem. We are all part of the problem.

Perhaps it is too much to ask the Member for Esquimalt—Juan de Fuca (Mr. Barrett) to avoid appealing to emotions of resentment and rivalry between regions of this country, but that approach is not only fruitless, it is counterproductive.

In conclusion, I want to reiterate the appeal of the Minister of the Environment for an end to partisanship on the issue of the environment and the fulfilment thereby of the expectations of the Canadian people.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I was astounded to hear the conclusion of the Member's speech, when she asked for an end to partisanship on the discussion of this issue. I suggest she read the first part of her speech. She will notice the inconsistency in her statement. I do not believe the Member contributed anything to this debate.

I think it is worth while for us to return to the original proposal by the Hon. Member for Skeena (Mr. Fulton). I congratulate him for introducing this proposal to the House. Given the severity of the oil spill on the west coast of Vancouver Island, which affected my riding substantially and the riding of my colleague, the Member for North Island—Powell River (Mr. Skelly), and given the severity of the oil spill on the West Coast, I like

the Member for Esquimalt—Juan de Fuca (Mr. Barrett) thought we would have been looking into solutions to this problem and ways to prevent the problem from happening again. I believe that problem solving was the reason the Member for Skeena brought this issue up in the House in the first place.

The first experience we had with an oil spill on the coast was in October last year in the Strait of Juan de Fuca. It created serious damage throughout the Strait and the lower end of George's Strait east of Vancouver Island.

Another spill occurred in December, 1988, which spread up the West Coast of Vancouver Island, affecting the whole West Coast. My family has been four generations on that coast, and values that coast and the environment very much.

We have the further oil spill taking place off the coast of Alaska, which could possibly threaten the coast of British Columbia and the area represented by the Member for Skeena in particular. All of these spills have taken place on the West Coast of Canada. Apparently the Government has not learned how to deal with them, how to prevent them or take significant action to prevent them. Therefore, I think the Opposition has to be concerned.

I would have thought the Government would have brought the issue up in the House, would have developed a program to deal with the issue. Had it done so, it would have received unanimous support from Members of the House to bring the issue forward.

A few months ago my colleague, the Member for Saanich—Gulf Islands (Ms. Hunter), requested an impartial commission of inquiry into the Vancouver Island oil spill. Its purpose is not necessarily to establish blame, although it should do so if it is evident. It would also help Canadians and the people of the West Coast and Members of the House deal with oil spills in a quicker and more effective way than we did with the oil spill on the West Coast.

The Government knew that the spill would happen. It knew that damage would take place. It knows about the currents, winds and wave action on the West Coast as will be explained during the debate. The Minister of Fisheries and Oceans (Mr. Siddon) knew about the wave and current conditions on the West Coast of Vancouver Island. He knows about the wind conditions.

His staff has testified about those wind, wave and current conditions in other disasters, such as the Ramsey Isle disaster. Fisheries and Oceans officials testified that they know the currents in that area so well that they could have predicted where a ship would go if lost at sea, as well as where oil would go when it is released at sea and drifts north along the coast of Vancouver Island. That whole disaster would have been predicted and could have been controlled early in the game. We would like to see an inquiry that would tell us why the Minister failed to act and why the three ministries involved failed to act in such a way as to prevent the kind of damage that did take place on Vancouver Island.

• (2330)

I certainly do not fault the Hon. Member for Skeena for bringing up this issue in the House today even though the oil has not touched the coast of Canada. I am amazed at some of the responses he is getting from the Minister of Fisheries and Oceans (Mr. Siddon) and from the Minister of the Environment (Mr. Bouchard). They are precisely the same responses we got in the initial stages when the oil was initially released off Grays Harbour.

The Washington Department of Environment told the Sause Brothers to take that barge 38 miles out off the coast, and they said the oil would drift out to sea. Anybody who knows the current and wave conditions off the west coast of Washington State knows that the oil will not drift out to sea in that area, it will drift north along the coast of Vancouver Island. Anybody who is familiar with wave, wind and current conditions in that area would have known that for certain, especially this Minister, and especially the Minister of Transport (Mr. Bouchard) who has been involved in previous actions and coroners' inquests looking into precisely that kind of problem when it involved ships adrift at sea.

The Minister said to my colleague from Skeena that the winds are going in the wrong direction and the waves are going in the wrong direction and this oil will never come ashore. That is exactly the assurance we got from the Minister of Fisheries and Oceans and from the Minister of the Environment at the time of the Nootka spill, and it was completely and totally wrong. That is why we have been asking, along with my colleague from Saanich, for an inquiry into this situation. We want to find out why our projections were wrong in that case, who was at fault for those projections and who was at fault for telling the tanker it had to be dragged 38 miles out to sea off the Washington coast, knowing that that oil was going to drift ashore to Canada.

We have heard some very defensive speeches. None have been as defensive as that of the Hon. Associate Minister of Indian Affairs, but there have been some

pretty defensive responses from Ministers in this House. I am surprised by that.

The Minister of the Environment talked about their newfound concern for the environment and pointed to the sections in the Throne Speech that deal with the environment imperative. He said that there has never been a Throne Speech like this in the history of Canada. There was one that just came out from the Government of British Columbia, and in fact, I thought it was a direct copy. The Government has established a task force on environment and the economy. As well, the national round table on environment and the economy has been established. I will tell Hon. Members what the British Columbia one is worth. It is worth nothing, absolutely nothing.

Nobody believes Vander Zalm is going to do anything on the environment, and nobody believes that anything will be done of substance by this Minister either. What disturbed me most of all is that at least Bill Vander Zalm, the Premier of the Province of British Columbia, in his Throne Speech, mentioned the oil spill off the West coast. At least he attached some importance to it. I want to say to the Minister of Fisheries and Oceans that nothing in here relates to environmental issues on the West Coast.

The Minister talks about cleaning up the Great Lakes, cleaning up the St. Lawrence River, cleaning up the Arctic regions. There is nothing in this Throne Speech that suggests any concern about the environmental damages that were caused by the spillage of oil off the west coast of Canada and the west coast of the United States on three separate occasions over the last year. Why did this Minister not draw that to the attention of the Prime Minister (Mr. Mulroney) when drafting this Throne Speech in the first place? Why did the Minister of the Environment and the Minister of Transport (Mr. Bouchard) not emphasize to the Prime Minister that this very important problem should be included in the Throne Speech so that they at least would demonstrate some concern about the environmental quality and the vulnerability of the environment on the west coast of Canada?

There is no concern on the part of this Minister of the Environment about the west coast of Canada, and that is why the issue of the oil spill does not appear in the section of the Throne Speech dealing with environmental issues. That is why we in British Columbia simply do not trust that Minister. We cannot trust that Minister. We feel that he just does not have our environmental concerns at heart.

That is why we are up on our feet in the House of Commons tonight. It is to bring to the House that concern that has been brought to us by our constituents through thousands and thousands of letters and telephone calls from constituents concerned about the oil spill that took place on the west coast of Vancouver Island, the oil spill that took place in Alaska, the oil spill that took place in the lower Straits of Juan de Fuca and the Straits of Georgia. That is why we are on our feet now.

We are not talking about some kind of superior moral view. We are talking about a concern of tens of thousands of our constituents over what is happening to the environment. They know that the spill that took place off the West coast of Vancouver Island—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. The Hon. Member for Hamilton Mountain (Ms. Phinney) has the floor.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I particularly wanted to speak tonight because of my personal experience with the Vancouver Island oil spill earlier this year. Although I recognize the difference in size between the two spills, the frustrations of the residents are very similar.

Last January, like many Canadians, I was shocked by the television newscasts of the residents of this area trying to clean up globs of oil before it managed to seep into the sand. Particularly heart-rending were the scenes of volunteers trying to clean the oil off dying birds and off the sea otters covered with oil crying on the oil-slicked rocks.

Each day we heard more and more news about the frustration of the local people and the possible long-term effect upon the area. While these volunteers were working tirelessly, the federal authorities were slow in getting organized.

Once the authorities were eventually organized, the official report said that there was no serious problem. The conflicting reports coming from the Government and the evidence we were receiving through the media convinced me that the only way that I could know the real facts about the situation was to go out there myself and help clean up the beaches.

May I read from an article that I wrote four months ago in the Hamilton news describing my experience? This will show how frustrating this experience was.

Working my way along the beach, picking up dead birds and platter-sized globs of congealed bunker oil, I could not help but wonder what we would do differently if we had an oil spill in Hamilton Bay or along the coast of Lake Ontario or in Halifax or along the Labrador coast.

This oil spill along the western coast of Vancouver Island may not be one of the great marine disasters of this decade, but it has, however, already done considerable environmental damage. Thousands of sea birds have died because some of the oil is sinking. Wildlife that feeds off the bottom such as whales will be in danger. The area's entire bald eagle colony and the colony of sea lions are in danger.

The livelihood of the inhabitants of the area is being affected. The federal Fisheries Department has banned shellfish harvesting. Groundfish, herring and other seafood could also be at risk. A booming tourist business in the area is threatened by the spill; 80 to 85 per cent of the economic base is from tourism and the fishing industry.

The instant the locals saw the first oil globs on their beaches, they mobilized. The federal Government took several days to react. The volunteer dispatch centre sends out teams each morning to areas that have been identified as having had more oil washed in by the tides during the evening. These people work all day collecting the oil in garbage bags and leaving them at drop–off centres where they are picked up by helicopters. These bags are being stored while a decision is being made as to what to do with them.

Most of the supplies, including garbage bags, rubber gloves, rubber boots, overalls, food and the use of telephones, et cetera, has been provided by the local residents.

• (2340)

The work was physically demanding and emotionally draining. Although I worked only one day, it was exhausting and depressing. My boots, gloves and clothes were quickly covered with oil. There was no equipment on this beach for clean–up, just volunteers with garbage bags. Where was the federal Government? It was frustrating, Mr. Speaker. These volunteers were doing their best but they needed money, equipment and manpower. More important, they needed support from this Government.

That was four months ago. We are now hearing the same pleas from the residents in Alaska. They want action. Canadians want action. This particular spill, the experts tell us, is not likely to reach Canadian shores. However, they do caution us that there is a possibility, if only a slim one, that the Canadian coast could be tarnished by this spill.

There are yet unanswered questions about the Vancouver oil spill. According to coastal residents to whom I spoke today, oil was still washing ashore 10 days ago. Our federal Departments of Fisheries and Environment are still doing studies to try to learn what the long–term effects there will be on our natural resources. Our salmon supply, the food stock of many residents of Vancouver Island and the source of many jobs, may be threatened.

Has the Government learned from the Vancouver experience? Has it learned from this Alaskan experience? If the worst happens and our shores are affected by this new spill, for the Government not to be ready is not acceptable. The consequences are too great. We have people trained to fight floods and forest fires. The equipment is also available to fight these disasters. What do we have in place to fight oil spills? Where is this equipment? Where are the experts? Who is responsible? How long will it take Government to mobilize assistance next time? Is there a telephone number Canadians can call in case of another oil spill to get immediate action? How many fish beds have to be destroyed? How many small towns have to be economically devastated?

How many Canadian families will lose their livelihood before the Government takes necessary action?

Mr. Albert Cooper (Peace River): Mr. Speaker, I rise on a point of order. It appears the debate will go on for some time. Maybe we in the House could dismiss the Pages so they could go home and get ready for their classes tomorrow.

Mr. Fulton: I think that is appropriate, Mr. Speaker. I think if we need coffee or anything else we can arrange it ourselves.

The Acting Speaker (Mr. Paproski): Therefore, the Pages are dismissed. The Hon. Member for Fredericton (Mr. Bird).

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I am not on duty here tonight. It is not my duty day. I was home watching television this evening when the Hon. Member for Skeena (Mr. Fulton) made his opening address in this debate. I said to my wife that «This really looks worth while. I must say that I commend the Hon. Member for Skeena for the initiative he has taken in introducing the debate and for the thoughtful, knowledgeable and well intentioned manner in which I certainly perceived his opening address. I must say that his was one of the last well–intentioned because once I got here and listened to the other side, I became dismayed how such a noble effort by the Hon. Member for Skeena in such an important context could be diminished in the

sort of real politics and theatrics which some of his colleagues and others have displayed here tonight, (on the other side at both ends.)

I would like the people of Canada, particularly those in B.C., the people of Alaska and the rest of the United States to know that this problem is shared by all Canadians, certainly by those from the Atlantic provinces, particularly New Brunswick from where I come. It is not difficult to imagine what such a spill as the Valdez disaster would entail if it were to have happened in the Bay of Fundy or in the Atlantic Ocean off Newfoundland. As a former Minister of Natural Resources in New Brunswick, I can comprehend, so can the citizens of our province, what such a tragedy would do to the migration of the Atlantic salmon and the impact it would have on the generations of fish for years to come. It is not difficult to imagine the unimaginable. We can understand the grim reality that such a spill does impose upon the natural sea and coastal resources of Alaska and the northern Pacific coast.

We can and do sympathize with the people from those areas who have suffered. We do understand and share the concerns, the fears and the worries of our fellow citizens in British Columbia.

Like Chernobyl, and Bhopal, the Valdez spill has put the priority of the environment into stark perspective. It makes us realize how much we have to accomplish here in Canada and in North America as well as throughout the world. This debate has also put the subject of the environment into a political perspective in this House.

It seems that we have two choices about the environment in political terms. We can idealize, dramatize and harangue for resignations, as the Hon. Member Esquimalt—Juan de Fuca (Mr. Barrett) did. In my opinion, invoking vulgarities almost in his slang in his attack on the Minister of the Environment (Mr. Bouchard) is unbecoming of a former Premier of a province such as British Columbia and it makes it difficult to understand that he would really be concerned about anything but the theatrical opportunity this debate represented.

The second choice we have is to acknowledge, as the Minister of the Environment said, I thought sincerely and humbly, so genuinely beseechingly to all Members of the House, that the environment is a special priority that transcends partisan politics. We can acknowledge that we are all part of the environmental problem and we can understand that we must all be part of the environmental solution.

I think that if we were to take the context of the remarks tonight of the Hon. Member for Skeena and the Hon. Minister of the Environment and remove partisan politics we would find that they have collectively made a contribution in this debate about a disaster that does not really even involve so far Canadian soil or water. It does not matter whether it does or not, for the debate is well merited. The interventions sparked by the Hon. Member from Skeena and the Minister of the Environment taken collectively do constitute a contribution in addressing the subject of the environment in the broad context, and one from which we all can learn.

I hope we can learn in this House to approach this subject (Environment) in a collective concerned fashion with criticism, of course, with examination and a healthy debate, but with the goal of sustainable development always before us. Sustainable development will be difficult to achieve. There are great risks to be assessed. There are great trade-offs to be made. There is reality to address.

I believe the Government has been clear before the Valdez disaster. At the Hague conference, the Prime Minister (Mr. Mulroney) and the Minister of the Environment demonstrated in a world context the priority of the environment to the Canadian Government. I believe that yesterday's Throne Speech has also been a very clear and strong statement in that same direction. I urge all Hon. Members to take the perspective of constructive debate and the goal of sustainable development for our environment as the cause for all of us. I believe that we shall be successful in making progress toward that elusive objective of sustainable development in this country, and we shall be an example to other countries of the world to follow.

• (2350)

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, one of the interesting aspects of the evening here is the suggestion that politics should be removed from the House of Commons. It is an interesting and intriguing approach.

I always used to think of politics as the process of allocating scarce and valuable resources and to do just that. There are differences of opinion, debates, and different points of view.

The people who live on Vancouver Island and particularly on North Island—Powell River do not believe that the government allocated sufficient resources to protect their environment in last fall's oil spill. If one goes to any single community, it can be found that those people fault this Government for an inappropriate response. I simply convey that message to the House.

I have here a letter addressed to the Minister of the Environment (Mr. Bouchard) from the Tahsis Chamber of Commerce, to which I do not believe he has replied, which simply states that the Government failed. It states that a public inquiry is needed now after 20 years of complacency, after changes in technology, and huge increases in the volume of fuel moving up and down that coast. They reiterated on January 31 the point made by my colleague the Hon Member for Saanich—Gulf Islands (Ms. Hunter) on January 29 that we need a public inquiry.

The issue of politics in here tonight is that the Government does not want a public inquiry. There are things that are going to come out that will not be very complimentary. The speech given by the Minister of Transport (Mr. Bouchard) in the House absolutely displays incompetence, because they were not able to do a thing in that oil spill. They were negligent in their initial handling of it. They were negligent at every stage in the clean-up. The people who live there know this. It is not a secret. Therefore, the issue tonight in the House is a public inquiry. That coast is in danger. Those communities are in danger.

It is interesting that many people out there told me that the 875,000 litres that washed up the coast of British Columbia were in fact a gift. They do not look at it as a tragedy. They look at it as a gift. Out of this process they learned how hopelessly inadequate the state of preparedness and the state of operating this entire system is. The Minister of Environment, the Minister of Transport, and the Minister of Fisheries in everything they said tonight gave no indication that this Government is moving to prevent the next spill, the larger spill.

We are saying that the only way to get back the confidence of people is appoint Judge Dubin or somebody of his stature and put them to the task through a public inquiry of determing what the state is and what we need to improve. We do need a public inquiry to look at the terms of reference of our international agreements with the United States. Those resources have got to be delivered. They have to be triggered the minute the spill is in place, and they have to be delivered jointly. Both our areas are at risk.

We also have to look at the threat. There have been substantial changes in the transportation, storage, and handling of fuels on the coast of British Columbia and elsewhere. We need to look at what the threat is to that coast. There are some areas today where tankers are going and where oil is stored that should never be used. The environment is too sensitive and the impact will be too destructive. It applies to supertankers, small tankers, barges, fuel lines, oil storage dumps. A public inquiry would look into that threat and determine the magnitude of response necessary to meet it without wholesale destruction of the environment.

We also must have a look at the whole business of transportation of fuel. A supertanker is incredibly dangerous to all our welfare along the coast here. If one equates a supertanker to a 747, a 747 has a crew of three or four people, each one of them with back-up systems in terms of technology, and careful operating procedures where one has to reinforce the activity of the other. With this particular system a captain under the influence of alcohol can go below while sailing through extremely treacherous waters where an accident is predicted, and a third mate, not qualified, can wind up sailing a ship like that. Those procedures are hopelessly inadequate.

There was a suggestion that a pilot actually took a freighter, the *Lee Wang Sing* and sent it along a coast where it hit a reef and lost all hands. There was a pilot on a vessel in Vancouver Harbour which vessel ran into the Second Narrows Bridge. A judge such as Judge Dubin ought to look at those operating procedures and they ought to be changed. Such a judge would also look at legislation and regulations. Those should be changed. He should be looking at our clean-up, inventory, procedures and locations. He should be looking at technology and making recommendations to the Government for research areas to follow through on, inventories of clean-up materials to be purchased and acquired, and distribution of that material.

The other thing that is really necessary is the volunteer groups. There were people who came from right across Canada to work on the west coast of Vancouver Island on that spill. It was absolute chaos. When they tried phoning the Coast Guard, they could never get anyone to talk to. They would never get a call back. When they asked them to walk certain beaches that were definitely exposed to oil, they would not bother doing so. There are

still bags of oil lying on the beach to be picked up. Who knows when that will happen. Those volunteers spent thousands of hours collectively and were not given so much as a thank you. They were not given support necessary to make their efforts successful.

Many of them still believe that that oil spill in the volume of 875,000 litres spread across hundreds of miles of the West Coast was in fact a gift because it showed them how inadequate the system was to deal with. Yet we had been lulled into 20 years of complacency by the Government saying that everything is fine. Modern technology is there, and we have great inventories.

It is interesting that nobody in this day can clean up an oil spill on the high seas. That does not exist at this point. I have seen a model built by an individual named Bill Wylie who lives in Courtenay that in fact appears that it will clean it up. He suggests that seiners on their drums should be carrying a boom, and that those booms on the seiner drums should be deposited in every port up and down the coast of British Columbia. The minute it is time to go, a seiner captain picks up a couple of drums, drops the booms in the water around the spill and waits until the hardware can be brought to the place.

The interesting thing about him is that he has been snubbed by every Government Department responsible for seriously looking at this issue. To this point in time it appears to be the only thing that I see that works. It works in wave action, in wind situations, and it actually recovers the oil and puts it into a caisson which can be drawn back off into a tanker. It is not burned and it does not sink. It is basically a good idea that nobody will listen to.

Back we go even further, Mr Speaker. I know that we will not have a public inquiry. The Tories do not want it, and it is a political issue. I appeal to every municipality on Vancouver Island and the coast of British Columbia to co-operate in sending a delegation to meet with the Prime Minister (Mr. Mulroney) to demand that it happens. Every regional board, every Indian band, every tribal council on the coast of British Columbia should be pressing the Prime Minister to do the responsible thing, call that public inquiry so that we are not trying to solve these problems in the House of Commons, that we can work from a base of knowledge that would be produced from that inquiry and the recommendations from it, and that collectively we can work in the House together to protect that coast, to prevent spills, and to clean them up efficiently when it happens.

The way to end partisanship is to appoint somebody of the quality of Judge Dubin to head a public inquiry, provide a chance for everybody affected to have a say, and bring forward decent recommendations from technical experts who will let us do our job in this House.

• (2400)

Mr. Benno Friesen (Surrey—White Rock): I would like to begin my remarks by urging Members to read and reread the remarks made by the Member for Western Arctic (Ms. Blondin). There have been some good speeches made tonight, but I think hers above all others was eloquent. The whole speech deserves attention.

I do not mean to avoid the body of her speech that dealt with the preservation of the environment and the culture in her region of the country but I want to focus on the first two points that she made. One was that she attended a board meeting in Calgary where evidence was presented that a consortium of companies in Calgary offered in the first two days to help Exxon clean up the mess in the first two days, and the company refused it. If that is true and she has evidence to lay on the table, the company ought to have charges laid against it for refusing help like that.

Secondly, I wish members of her own Party and members of the New Democratic Party would listen to what she said when she gave an inventory of the things that the Canadian Government and the Canadian people did regarding the Valdez spill, just out of one location, and that was Yellowknife. She gave a complete inventory of the aircraft used, the equipment on board, and the people who flew to Valdez to help in the clean-up.

The next person speaking for that Party ignored this information and said the Canadian Government should have done something. Talk about a dialogue of the deaf! They do not even hear what their own Members are saying. So I hope Members will again refer to the remarks of the Member for Western Arctic.

I want Members to know that the people of Surrey—White Rock understand what it means to experience an oil spill. Eighteen years ago there was a small accident at Cherry Point. The bunker crude oil from Cherry Point refinery washed up on the beaches of White Rock.

I was amazed at the Member for Esquimalt—Juan de Fuca (Mr. Barrett) who mentioned that oil spill and complimented the American kids who helped clean up the mess in the States ignored totally the Canadian kids from White Rock who were organized by the teachers in the schools to go down to the beach and clean up the mess. For once, that New Democrat praised an American; but in doing so, he annoyed and ignored the

Canadians. This symbolized for me the debate tonight—the total rejection of anything good that the Government or the people of Canada have done. The Opposition refuse to see anything that is good.

So I say that the people of White Rock understand something of a spill. They know in a small measure the tragedy that we are experiencing in the Gulf of Alaska.

As the Member for Esquimalt—Juan de Fuca spoke, I said to myself, the spill in White Rock was in the early months of 1972. Within six months he had a chance to do something about accidents like that, because at the end of August, 1972, he was elected Premier of the Province of British Columbia.

An Hon. Member: Three long years he was there.

Mr. Friesen: They were three long years, dry years.

So I sent to the Library of Parliament for the Ministry that the Member for Esquimalt—Juan de Fuca appointed when he became Premier of British Columbia. The Premier was the Minister of Finance. We have a Minister of a travel industry; industrial development; recreation and conservation; agriculture; petroleum resources; highways; labour; education; commercial transport; health services and hospital insurance; Minister of Public Works; rehabilitation and social improvement—the guy who lost $200 million—Minister without portfolio. In the whole Ministry there was not a Minister of the Environment to be found. But there was a Premier who sits here tonight and uses phrases, referring to the Ministers of the Crown, such as "pious", "sanctimonious", "cant".

Talk about pious, sanctimonious, and cant. When he had the chance to do something, he wouldn't. Then he comes into this House and berates the Ministers of the Crown for not having done enough. He says "pious nonsense". He says the Ministers of the Crown have a special responsibility. "What have you been doing? Don't you understand the problem?" he asks in this House. That's the Member for Esquimalt—Juan de Fuca. During the three years he was Premier of the province, he did not even appoint a Minister of the Environment. The lights were out. The elevator did not go to the top floor. When he had the chance, he did not take it.

Is it any wonder we pay no attention to what those people say? They have the most responsibility when they are not responsible. Oh, they are so responsible when they have no responsibility, but they are totally irresponsible when they have the responsibility.

An Hon. Member: That is why you are in the Cabinet.

Mr. Friesen: And you never will be.

This is too serious a debate to be berating each other.

An Hon. Member: What a hypocrite!

Mr. Friesen: I am quoting the record, Sir.

An Hon. Member: You are a bag of wind.

An Hon. Member: Talk about the spill. Talk about your Government's—

Mr. Friesen: All right, let's talk about the truth. Where is this spill? The Member from Hamilton says that there should be a state of emergency. Since when does a sovereign country declare a state of emergency in another sovereign country?

An Hon. Member: Ask that of the Liberals.

Mr. Friesen: That is true. That is their nature.

They say: "Why didn't we do something when we could?" The oil started coming down the coast of British Columbia all during the years when the Liberals were in office. It wasn't until 1979 that the Secretary of State for External Affairs, the Hon. Flora MacDonald, signed the agreement to regulate the traffic through the Straits of Juan de Fuca and through the Haro Straits to make sure that there was the least opportunity for an accident to happen in those vulnerable areas. That's what gives a little bit of protection to the coast of British Columbia, not the cant, not the wind, not the accusations, but the action of a Government when it came into office in 1979.

So I say to the Members here tonight, you can accuse all you want. I know that you will not believe the Ministers of the Crown. I know that you will not believe the members of the Government. But believe the Member for Western Arctic and others who are willing to put it on the record. Let us quit the rhetoric, and let us protect Canada.

Hon. Chas. L. Caccia (Davenport): I wish to congratulate you, Mr. Speaker, for making this debate possible here tonight and for the opportunity to put forward thoughts on all sides of the House and to deal with what seems to most of us to be the major facets of this issue. To me, the facets are the question of prevention, the question of international standards and regulations, the issue of imposing moratoria, and finally, the most diffi-

cult issue of long-term energy policy and our dependence on oil.

Before I go into that, I would like to draw to your attention a curious pattern which develops whenever the Conservative Government finds itself in trouble in matters related to the environment. It conveniently hides behind three claims. The first one, and we have heard it many times before in other debates, and it is the most ludicrous of them all, is that everything that is positive in the environment achieved by Governments began in 1985.

• (0010)

Second, when the heat gets a bit too high it trots out this new element of the Prime Ministers of Canada being hailed abroad and receiving awards. That helps enormously.

Third, when that fails to make an impression on this side of the House, it comes up with this beautiful convincing item saying that Canadians do not like partisanship in the environment. We must all say the same thing. We must unite. We must be supportive of the shortcomings and the failures of this Government. Tonight, two hours ago, the present Minister of the Environment (Mr. Bouchard) followed the examples of his two predecessors and did exactly the same thing. What a sham!

The question is what are the steps, the substantial steps, that the Government has taken to ensure that our own practices and regulations at home and those of our neighbors are taken into account and enforced so as to ensure prevention. The question here is a very crucial one because prevention is much more important than reaction. Even the most speedy and quick reaction which the Minister of the Environment invoked in his intervention is not as good as prevention. He will agree with that.

We must find ways of increasing this prevention. How this Government can increase prevention when it has over the years lost its main muscle financially to maintain in the Department of the Environment 330 people which it has lost over the last four years, and with a budget that has not been able to keep up with inflation, is hard to understand. In other words, one can prevent if one has the budget available to carry out that prevention. If one is losing ground to other Departments and to inflation, then the instruments available to Ministers disappear as well. That is what struck me as the weakest measure, the weakest part of the ministerial interventions here tonight.

The problem with the Conservatives is that they are still part of the problem. They are strong on rhetoric but they are weak on substance. When they cannot maintain the strength in their own Department of the Environment, and in Departments that are allied to it, in preventive measures in our marine environment, then one can only react. The necessary preventive measures cannot be taken to be ahead in this game.

There were some interventions tonight also on the matter of international standards for pilots and for the prosecution of companies. It is ridiculous to see in the situation of Exxon that the person who has to pay is the captain and not the company. It is ridiculous to see in the case of Exxon a situation whereby highly qualified, trained pilots are not in charge of the supertanker. Evidently there is something in this whole industry that must be established that is missing.

We must learn from the aviation industry, borrow from the standards that have been established there, and move very quickly internationally to ensure that the marine pilots are of the same competence as the pilots in the air and that those who are guilty of offences, the companies that are guilty of offences, are prosecuted and not the individual.

The lesson is that prevention requires budgets. The Conservatives are part of the problem. With respect to the same steps that have been taken in Washington to which the Minister alluded very vaguely tonight, it is not known what they are leading us to.

What has been done in Washington since this spill on the West Coast is something that the public should know. That should also be debated here so that we can intelligently participate in the building of these new approaches which are so badly needed.

We must also call on the Government, as have others, to hold a public inquiry into Canada's ability to deal quickly with major spills in our water. That is an aspect that also should be made public in the interests of the public and in the interests of all those fine environmental principles which the Prime Minister (Mr. Mulroney) invokes when he goes abroad but which he seems to forget when he comes back to Ottawa.

It seems to us also that we must put on hold future offshore exploration projects until the results of such an inquiry are known. It would be a wise course of action.

It would also be desirable to impose a moratorium, possibly in perpetuity, on offshore oil exploration in the Hackett Strait and in the Dixon Entrance for very well known reasons that could be defined if time were available.

It would be desirable to impose a moratorium, possibly in perpetuity, on tanker traffic in Lancaster Sound and in the Northwest Passage. This could happen to us as well one day. We do not want one day to have our fragile Arctic ecology damaged by the movement of tankers through the Northwest Passage and through Lancaster Sound. We have the opportunity now in the light of enormous public pressure and intense public opinion to move on this desirable front.

Finally, as others have before me, we are brought to ask ourselves whether the time has not arrived for us to discuss our long-term energy policy and the fact that we can and must find ways of using more efficiently our oil resources globally, in North America to begin with, and also find ways of developing alternative sources of energy so that we will not depend on oil that has to be shipped from the northern regions to the southern markets.

I see that my time has come to an end. I would like to conclude by saying this. As the proverb states, an ounce of prevention is much more effective than a pound of reaction. The Minister of the Environment, I am sure, would want to have the budgets at his disposal to be preventive out there on the West Coast of Canada as it is desirable for him and his Government to be. We are looking forward to seeing what the Budget will contain to provide this Minister the tools that he needs. We can assure him that if he gets the tools he needs we will support him and applaud him. If he does not get the tools he needs then we will know that on the Conservative side of this House what is being said on the environment is rhetoric, not supported and followed up by substance.

Some Hon. Members: Hear, hear!

• (0020)

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, there have been a few geography lessons given in this House today and I trust that the Minister of the Environment will take notes on those lessons. given. What we have heard from the other side of the House has not assuaged any of my concerns. There is a crisis of confidence in this Government's ability to address the concerns of oil spills and other environmental disasters which have devastated the West Coast. That crisis of confidence has just increased through this emergency debate.

I commend my colleague from Skeena for pushing this debate, but it certainly has not given me any reassurance that things are going to improve. This Government has shown a pattern of trivializing this type of occurance. It did not respond to my letter of January 31 when I asked for a public inquiry, and now we are hearing criticisms that we are being partisan. All we are doing is acting as responsible members of the Opposition and pointing out that we—and acting for our constituents, those volunteers that went up to the West Coast to clean up—that we want assurance from this Government that there are structures put in place so that it will not happen again, and if it does happen how we can most efficiently clean up the mess and get back to living our lives.

The response from the other side of the House gives me no confidence that they are even willing to put the resources in to do that. What it demonstrates is a fundamental misunderstanding of the problem. It also demonstrates that this Government, as was indicated from the Speech from the Throne, is going to be following its corporate agenda. It is going to be hand in hand with the large corporations like Exxon not to put any regulations in their way, not to get in their way of making big profits.

I think that in today's *Globe and Mail* one of the columnists said it best. He said, insofar as Governments are concerned, there are important reasons for having them share in the responsibility of the prevention of oil spills, in the preparation for their clean-up and in the clean-up itself. That is all we are asking for, that our Government be responsible, be prepared and start acting for the interests of Canadians.

What we have heard tonight is that the Government wants to take pot shots at those of us who are criticizing it, and what I think is demonstrated over and again is that there is an abdication of responsibility, and that is what we are critical of. It is very interesting that it took my colleague from Skeena to push this debate, although there is a growing crisis on the West Coast, and the Minister of the Environment (Mr. Bouchard) was not even sure of his geography even though this issue has been in the papers for weeks.

We want a public inquiry. We want allocation of national resources to address this problem. We want to make sure that it is not just the poor people, the workers and the Coast Guard, that are taking the flack and the criticism. We want the criticism to go where it is most effective to make real change, to make real changes so that the people of Canada can be assured that their Government is acting on their behalf. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Al Horning (Okanagan Centre): Mr. Speaker, the Canadian Coast Guard is lead agency for all marine source spills. As soon as the first site of the oil spill was discovered in the Nestucca incident, the Coast Guard mounted a full operational response. This response included all of the relevant federal and provincial organizations. Altogether over 350 people worked at the peak of the clean-up. This comprised the largest team of environmental and scientific operational personnel ever assembled on the West Coast to address the clean-up operations and the environmental impact assessment. The primary clean-up was undertaken by the ship owner's contractors under supervision of the Canadian Coast Guard.

Under both Canadian and American law, the polluter is responsible for all costs, expenses, and direct damages associated with the marine oil spill. Supporting the response was a team comprised of federal and provincial agencies such as the Department of the Environment and Fisheries and Oceans. The military assisted by providing helicopters and aircraft support.

At the peak of the clean-up operations responding agencies in the contract deployed up to 10 vessels, 13 helicopters and surveillance aircraft, command posts and various other resources. To date over 370 tonnes of oil and oil-related debris have been recovered, most of which is stored at the interim site at Cassidy. Operations were completed on March 19, and the monitoring phase commenced on March 20.

In response to marine pollution accidents, the Canadian Coast Guard has a multilevel contingency plan in place which deals with incidents on a local, regional and international level. In conjunction with the supporting Departments, the Coast Guard conducts exercises to evaluate these plans and to provide training for the multi-disciplined teams, and in the Nestucca incident the joint marine pollution contingency plan was invoked. The Canadian Coast Guard also maintains depots of pollution counter-measures equipment at 50 locations across Canada. This inventory valued at $35 million is available for deployment to any location.

Mr. Speaker, as permanent environment damage is a great concern, a multi-disciplined team of federal-provincial experts was involved throughout the Nestucca response in assessing the spill impact. The scale of this impact assessment exceeded any other previously mounted, and will provide valuable information needed to assess long-term effects.

Mr. Speaker, it is the polluter's responsibility to settle any claims arising out of a spill directly with the claimants. To assist with the processing of claims, the Canadian Coast Guard established a claims assistance office to provide help and advance to potential claimants. The process for documenting claims is based on a system developed following the Kurdistan incident in 1979. Our lawyers are also actively studying every angle of Canadian and American law, to pursue Canadian claims for assistance. In addition the Government is attempting to assist in this process by establishing an appropriate procedure with the polluter for the processing of claims.

Mr. Speaker, the principle that the polluter is responsible for the damage caused by this spill also applies to economic losses. Moreover, as a last result, the Marine Pollution Claims Fund may also be available for economic loss suffered by fishermen.

In conclusion, following every incident a review of the response and operation is undertaken. Incidents such as the Nestucca are unfortunate and we all recognize the need to work hard to prevent reoccurences. In assessing the response and identifying areas for improvement, we are provided with the opportunity to improve our response.

Mr. Speaker, our Government cares, and in times of disaster we will respond to the best of our ability.

Mr. Jack Anawak (Nunatsiaq): Mr. Speaker, as the only new Member of Parliament in Parliament here, it is my pleasure to speak on behalf of the Inuit of Nunatsiaq and as a representative of the northern people. I am pleased to speak tonight, although it pains me that it had to come to this point before we were able to speak on this issue. This is a disaster of very large consequences and it is part of our land because Inuit occupy a circumpolar world all across from Alaska to Greenland to Canada and to the Soviet Union. So we consider the North as part of our land, and we don't define any international boundaries between the people of the various international regions.

The Valdez spill disaster must cause us all to think about the environment and the costs of such accidents.

• (0030)

As a northerner whose people depend to a large extent on the land, the ocean and its resources, the possibility of a spill like this in the Canadian Arctic is extremely disturbing. The North cannot afford such a disaster.

The North wants and needs development but not at any cost. The National Energy Board will soon begin hearings on applications by Shell, Esso, and Gulf for 20-year licences to export natural gas from the Mackenzie Delta to the United States. A pipeline will be necessary to transport that gas if the applications are approved.

Although times have changed since the Berger Inquiry, and land claims are close to being achieved for the Dene and Métis of the western Arctic and the Inuit of central and eastern Arctic, and the Innuvialuit claim was settled in 1984, there is still the concern that development will proceed. I reiterate that we are not against development to the extent that we can be sure it will be safe for all the people of the Northwest Territories and Alaska.

At the same time, the President of the United States has been considering development or exploration in an area known as 10.0.2 at the Alaska-Yukon border. This land covers the grounds of the Porcupine Caribou herd. President Bush has indicated that the Exxon disaster does not affect whether the Arctic National Wildlife Refuge should be developed because that disaster was likely a result of human error. Most developmental disasters are a result of human error, and I beg to differ with President Bush on this issue.

The full Congress has yet to make a decision on this development. However, there has been much discussion on the issue and it is likely that exploration on this development will begin. If passed, the legislature would be giving its stamp of approval to the opening of the coastal plain of the refuge to environmentally responsible oil and gas exploration, development and protection. As we all aware, however, no development is safe from disaster, whether it is through human error or other means.

The Prime Minister (Mr. Mulroney) will visit President Bush in the near future. His trip will include environmental discussions, including initiatives for the Arctic. The Prime Minister will also receive an environmental award from the International Chamber of Commerce on May 4. I question the merit of this award, based on the slowness of the Government's response to the *Exxon Valdez* disaster. We have been told by various Ministers that the effect of that disaster is not approaching Canadian waters. The animals in that area, whether it is the seals, whales, salmon or any other wildlife, know no boundaries.

While the Government of the Northwest Territories has approved in principle the building of the pipeline because of the need for economic development in the North, it is qualified by the fact that environmental concerns must be safeguarded.

As the only Inuit Member of Parliament and representative of the true North, which is supposedly strong and free, I have very grave concerns about the whole issue unless there are stringent regulations in effect.

Our people are taught by our elders early in life that above all we must honour the lands, the water, and all that is within them.

The straightforward lesson is communicating to one and all, for our people know that we have survived for thousands of years in all types of conditions because we valued, respected, and honoured all that was around us. We came to understand that rather than forcing the environment to conform to our needs, we developed behaviour that adapts to our environment. How incredibly it is sad that I stand here tonight, believing as strongly as I do in the wisdom of the Inuit elders, and see a situation in which our man-made systems and processes have dealt such a painful life threatening blow to this fragile and unique part of the world. I know that native people in Alaska must share a similar philosophy. They surely must be shaking their heads as they watch the events that are unfolding in their land.

They have lived through various occupations in their land and have seen a steady stream of visitors come to dabble with technology that they swore was failure-proof in an environment in which man can never and should never attempt to rule.

We hear stories of carelessness, recklessness, over confidence, alcoholism, debauchery and gross ignorance

on the part of tanker crews and carpet-baggers at Valdez. How must native people feel, along with non-native Alaskans who live off the land and water, being forced into a situation where all the boastful experts were suddenly rendered powerless and ineffectual, drowning along with wildlife in their own technology?

If we are going to develop the North, whether it is in Alaska, Canada or anywhere else in our circumpolar world, we must take finto consideration the people who have lived there for thousands of years without any man-made disasters. It is because they know how to live off the land. People must listen to them rather than making decisions in the boardrooms of America or southern Canada. If they are not heard, I predict more disasters of this type as a result of the carelessness of the developers.

Mr. John Brewin (Victoria): Mr. Speaker, we would do well to listen to the voices we have heard tonight from Canada's aboriginal people as represented here in Parliament.

On November 21 the people of Victoria and Vancouver Island voted for strong, effective, and progressive voices in Parliament. They voiced their deep concern especially with the issues of the environment. We have in today's emergency debate had a clear demonstration that indeed Vancouver Island and Victoria have finally found their full voice in this House of Commons.

• (0040)

It is really a profound shame that this debate is taking place. If anything good comes of it, it may be that, finally, this Government will get the message that the West Coast exists, that we have real problems and that we will insist that these concerns are addressed in Parliament.

The Speech from the Throne contained many words about the environment and many noble intentions of the Government. A closer reading, however, indicates that the central Canadian perspective of the Government is fully heard in the speech. For example, it contains no reference whatever to the Alaska oil spill, the worst oil spill in the history of North America. It contains no reference whatever to the West coast oil spill that occurred in December and January.

The oil spill we are debating tonight is in fact the twelfth worst oil spill in the history of this planet. I have here a list of the other oil spills. Many of them are common knowledge including the *Torrey Canyon*, *Amoco Cadiz* and others.

Despite the fact that this is the worst oil spill in North American history, there was not one word in the Speech from the Throne about it. There was not one word in it about West Coast oil spills. There was talk of cleaning up the problems in the St. Lawrence River. There was talk about cleaning up the problems of acid rain in the Great Lakes and the problems of the Arctic, but there was not one word about the environmental concerns of the sensitive ecological system on the West Coast.

There was not one word in the Speech from the Throne about another subject, forestry, the Carmanah Creek and the Carmanah Valley, the crisis in our forest industry, the overcutting, the problem of job losses in Fletcher Challenge and elsewhere. However, because of the initiative of the Hon. Member for Skeena (Mr. Fulton) and your response, Mr. Speaker, we are having this important debate.

It is worth while to notice that Ministers of the Government have participated in the debate, a healthy sign that they are finally at least forced to explain themselves on the floor of the House of Commons.

I want to put a series of specific proposals to the House. First, I propose that there should be a formal public inquiry into oil spills on the West Coast. The Minister of the Environment (Mr. Bouchard) said that as a result of the oil spills this was the occasion to examine the response of the Government. He said, "of course it will be done." What we say to the Minister is, do not make it an internal departmental inquiry. Instead, make it an open, public inquiry which environmental groups and experts have an opportunity to attend. Give them an opportunity to examine and cross-examine witnesses. Provide them with some resources so that their views can be heard on this very important issue. This is one way to begin to restore some confidence in the whole system of government and in its capacity to respond to the perceived dangers on the West Coast.

Second, we call for an immediate statement as to which Department of Government is responsible for dealing with oil spills. We hear from the Minister of Transport (Mr. Bouchard). He has not found it possible, I gather, to attend all parts of this debate. I hope he is listening. The Minister of the Environment seems to take a lead. We hear from the Minister of Fisheries and Oceans (Mr. Siddon) and from three Ministers of State from British Columbia. It is not clear who is in charge of

this problem nor was it clear who was in charge when the west coast spill occurred in December and January. Reports from the front indicated all kinds of chaos, confusion, and disarray. In fact, there was said to be a bureaucratic war going on as to who was actually in charge. The time has come to make it very clear publicly who is accountable for responding to oil spills.

Third, we ask for thorough consultation with environmental and municipal people on Vancouver Island.

Fourth, we ask that there should be compensation for those in the tourist industry and in the fishing industry who have suffered damage from oil spills. It should not be the responsibility of individual Canadians to pursue costly international litigation. The Government should provide immediate compensation and then undertake the litigation itself.

Fifth, we ask for a moratorium on offshore drilling. Sixth, we look to the Government to give some genuine attention to research and development in this area. There has been in my own constituency of Victoria the development of OSCAR. OSCAR is a process for responding to oil spills. It uses quite a different technology from the skimming process that has been used. It is a development which is being pressed by people with long experience in the oil industry and in the marine industry. It is Canadian technology. It is endorsed by private users. We see this as an opportunity to develop Canadian technology, to use Canadian brains and responses to deal with these very difficult environmental disasters, and we would ask the Minister to give this very thorough and independent consideration.

Seventh, we ask that there be imposed standards and controls on all tankers and barges using our territorial waters. Part of the problem we face in Victoria, for example, is that four to six tankers are going by the Straits of Juan de Fuca within just a few miles of Victoria, and these are aging tankers. They are a moving ecological disaster waiting to happen. It will happen, as the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett) said, unless this Government moves promptly to impose standards and controls.

Finally, we ask the Government to review the recommendations of the tri-level task force which reported in January.

The Valdez and West Coast oil spills are a warning to the people of Canada, indeed to the people of the world, of what we are doing to our environment. The issue here is not just oil spills. The issue is what we are doing ecologically to this planet.

Once again, people are ahead of their Governments. They are demanding, and we endorse and put forward that demand in the House of Commons, that we treat the challenge to our environment as the fundamental issue of our time. Time is short. We must move to develop alternative energy sources, and a revolution in our way of approaching transportation and fuel. We have to look at new ways of conservation. We must develop a completely new way of addressing the problems that we face.

This has been an important debate. I urge the Government to endorse the ideas put forward.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, during the last 90 days in my riding, I spent hours and hours talking to many of my constituents, and the number one issue on their agenda was the environment. There is a passionate view, not just in my riding but I believe in all ridings across Canada, that we have a very special opportunity here to set an international standard, an international model, in terms of following recommendations from the Brundtland Commission.

When I came back here on Monday and I listened to the Speech from the Throne, I was really excited. I heard words like, "Canadians possess a unique sense of their relationship to the land whose rich, vast diversity has shaped their values and experience and throughout the regions and across all linguistic and ethnic communities there is a shared concern that we protect our environment for generations of future Canadians," and on it went in the Speech from the Throne. "The national round table on the environment and other initiatives are part of a new environmental agenda which will also include commitments to certain things," and on and on it went. I left the Senate Chamber feeling very excited.

As the Minister of the Environment (Mr. Bouchard) noted earlier tonight, probably never in the history of a Speech from the Throne have we heard so much in terms of a national Government's commitment to the environment.

• (0050)

We love our country and we all have a vision of it. I believe on this issue the challenge is to take this vision and this feeling we have all talked about and turn it into reality. Earlier tonight the Minister spoke about a non-partisan approach to the environment. I think that is a great way to go in this issue. Again, that statement must become reality. How does that non-partisan approach work? I just do not understand the logic. If we

are taking a non-partisan approach to the issue, then why would we not have this formal public inquiry? What is wrong with having a formal public inquiry? It does not make sense to me when we follow the logic of us all working together.

Here we are less than 40 hours after the Speech from the Throne and I am concerned that we are going to be following into the trap of the "mad" treatment, the maximum administrative delay. I say to the Minister he cannot fall into this trap on this issue. This is an issue where we must move with all of the political will of all of the Parties in this House. I am not really sure that we have done our best on this. I am not really sure nor am I convinced that the words of non-partisanship are really as genuine as they sound. I think this issue is a terrific example and an opportunity for us to begin turning those words into action. Even here tonight the Minister can pre-empt me and say I have no problem with a formal public inquiry.

This incident is in the United States but this issue is a global environmental issue. This Minister of the Environment has an opportunity to set a world-class example. There is no one in this House, there is no one in this country who will not back him on this issue as long as we are all working together and as long as we are achieving the common future. I believe that if we are going to get this session on the right foot, we should begin by focusing on the words "let's turn vision into reality". Here is an example where we can show not only Canadians whom we are encouraging to get involved in this issue but we can set an example for our American friends, for our friends all around the world that we are serious, that we will collaborate with them because even collaborating on this issue will be helpful to us, God forbid, should it ever happen in Canada.

Through you, Mr. Speaker, I urge the Minister to make sure that the words in the Speech from the Throne are not words that are diversionary, they are not words that are just rhetoric but words of substance and words of action.

As my colleague from Davenport said earlier this evening, if the Minister acts on these issues in a straightforward manner without an administrative delay approach I know he will have the support of my colleagues.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a particular interest in the urgent debate so appropriately brought forward by my colleague, the Hon. Member for Skeena (Mr. Fulton). In this debate I am talking not only about a community far away, Valdez, Alaska, but my neighbour Alaska. Many of us in the Yukon, in my riding, often visit Alaska. I have visited Valdez on numerous occasions. It is a beautiful community. To see the effects of what has happened with this oil spill is very close to me and close to people in my riding, to all northerners as some of my colleagues from other northern areas have explained, and also to my colleagues from British Columbia who have so recently at first-hand felt the effects of a serious oil spill.

The questions of oil and gas development and its ramifications, good and bad, on the northern economy and the environment are issues that are extremely close to home. It is impossible to live in the North and not be keenly aware of the fragility of the environment. For those of us who have participated in the past in pipeline hearings on the Beaufort Sea, all of the questions that are now coalescing around the Valdez oil spill and its ramifications not just for the United States but also for Canada really bring back memories of those discussions, and in many cases arguments about the feasibility of tanker travel in the North. There were many presentations made about the dangers of this, about the difficulties with shifting sea ice, with icebergs, and exactly the kinds of concerns that, alas, have been exemplified by the Valdez oil spill.

Once again in the North we will be into hearings on gas exports in the coming weeks and again the same issues of weighing the environment, the natural resource, the benefit, the revenue and the expenditure will become before the Canadian public.

Two of my colleagues have mentioned the Arctic National Wildlife Refuge, a transboundary park in northern Yukon and Alaska. That happens to be the calving grounds of the Porcupine Caribou herd. That region was set aside because it is the calving grounds. The Porcupine Caribou herd represents not just 150,000 animals but a national and international treasure and a non-renewable resource. However, we see that the American Government is beginning to reconsider its position and is beginning to look at possible drilling on these lands. The Americans are weighing this drilling against the non-renewable international heritage—what are best estimates of the amount of oil recoverable from the lands as being an oil supply of two years for the United States. This is two years of oil versus an irreplaceable international treasure which also happens to be part of a very viable economic system for at least 12 or 15 aboriginal communities.

Those are the kinds of questions that the spill in Valdez again brings forward to our society and asks us to question what we value, and what kind of a system we have created and what some of the ramifications of that system are.

During many of the environmental hearings in which I have participated in the North the question has always come up about the possibility and risks of any kind of development. Some of those will be deemed to be acceptable. That is quite understandable, Mr. Speaker. Economic development, the use of natural resources for all Canadians and northerners, is an important consideration. But the risks are often calculated on a very interesting basis. They are calculated on the risk to the investor, often the oil and gas developer. Rarely are the risks identified. In many ways we have not been able to identify in a realistic and calculable way the risks of exactly the kind of oil spill that has taken place in Valdez.

Earlier someone referred to the *Amoco Cadiz* case in France off the French coast in 1978. That tanker spilled 200,000 tonnes of crude oil. What were the costs? The French Government in that particular case had already spent $36.7 million on clean-up but could not even estimate the long-term effects on fishing and tourism. We are in exactly the same position, Mr. Speaker.

• (0100)

My colleagues have spoken about the possible effects of this spill as it moves towards the West Coast on the Tatsenshini and Alsek Rivers. Those two rivers supply subsistence fishing for many residents in the area, a commercial fishing industry, tourism, and a very vital environmental wilderness area that is part of the ecosphere and the fundamental environmental basis of the air we breathe and the waters that we drink.

We expect our Governments to act to protect us in these cases. I would like to support two things raised by my colleagues. First of all is most certainly the call for a public inquiry. Any Government, any Parliament, any group of politicians, and indeed citizens who believe what has become almost a cliche, sustainable development, and we should also be talking taking about sustainable environment, must have the opportunity for full and open inquiry when such an event as this happens.

We know that there is no quick fix solution. We know the Valdez oil spill has pointed out to us that the technology does not exist to do the clean-up required. In fact, taxpayers who often pay to encourage that development end up paying a second time to do the clean-up that might occur as a result of accidents such as that at Valdez. Clearly, the taxpayer has a vested interest in such a public inquiry, not only for now but for the future and the long-term consequences for our children and grandchildren.

The previous speaker referred to having to examine the life-style that we have created and become dependent upon. When there was that little blip about the oil scare, Governments were encouraging alternate energy development. The programs of Energy, Mines and Resources in that regard have been cut back to nothing. The programs through Environment Canada to encourage conservation and to look at alternate energy resources in a long-term energy policy have been cut back to virtually nothing.

Canadian taxpayers have a right to know whether the Government is only talking about rhetoric when it comes to the environment. Both members of the House and the Canadian public will therefore be looking very closely to the Budget to see if the Government is prepared to take into account seriously the long-term needs concerning the environment of this country, and indeed that of the international issues.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have to admit some puzzlement at the obviously defensive attitude that appears to have been taken by a number of the speakers and Ministers opposite, in particular the Member for Vancouver Centre (Ms. Campbell).

This debate tonight is not about the Vancouver Island oil spill. It is not about who or what caused the Valdez oil spill, or is it for the wringing of hands with respect to the tragic aftermath of these spills.

This debate is an alarm bell for all Canadians. It is an alarm bell that signals that Canadians do not have confidence in the ability of the Government to prevent an oil spill of significant size such as occurred recently, nor the confidence that the Government has the ability to clean and limit an oil spill such as occurred recently. It is a warning bell not only of that perception, but also that we are not prepared.

We have heard tonight from the Ministers responsible that we have equipment, we have manpower, and we have know-how dispersed across the country, dispersed strategically waiting for the next emergency to occur. That is exactly what we would have heard from Exxon two weeks ago. It would have said exactly the same thing. What did that get for our American neighbours at Valdez? It got them nothing.

We have heard the same rhetoric here today as the Ministers have read from their Ministry briefings listing the many tools, devices, know-how, and skills at our disposal to deal with these things. We know, and Cana-

dians know, that we have not done enough. The proof is in every successive oilspill. They just keep on coming. Every spill and every sea-life kill proves that we still have not yet done enough. That is why we have a crisis in confidence, and that is why we have the debate tonight.

We also know that we do have ways and means to improve. We need vastly improved standards of navigational safety, and we need vastly improved standards in international shipping and international agreements governing the transport of oil.

Why have the Ministers here today, the Ministers who purport to represent all Canadians in matters such as this, Transport, Environment, and Fisheries and Oceans not discussed the improvements that we can and must make? Why has there been no mention of these? It is because they are not there, and that is why there is a crisis in confidence.

We have heard the ministerial rhetoric, and we have heard the travelogues about the beautiful B.C. coast, but that does not get us improvement. We have Armed Forces that have said to us time and time again in this changing world where the Armed Forces will do more than simply shoot bullets, to tell them what to do, give them the tools and they will do the job. Still I see nothing on this.

We have areas where international agreement governing the transport of oil and other commodities could improve the safety conditions, because it is not only rules that prevent these spills, but will assist in preventing these types of spills.

It is my hope that the Ministers opposite will not continue to be blinded by their own rhetoric and the rhetoric of their Ministries that they have done enough and we are ready. I will not permit the Ministers or the Government, and my Party will not permit them to be trapped by the rhetoric of their Ministries. If anything is to be gained from our debate here tonight it will be a recognition by Canadians that the Government of today realizes its own weaknesses in this regard, both real and perceived, and believe me they are perceived, and that the Government will take concrete steps to resolve those weaknesses and thus help to prevent absolutely another Valdez spill.

• (0110)

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it disturbs me to have to stand in the House today and speak on this issue, because it is a sorrowful day for this House and Parliament to have to debate this issue. As one of my colleagues pointed out earlier tonight, it has come to this—after 22 years of warnings of environmental catastrophe, predictions by environmentalists and previous provincial administrations of looming environmental damage to the West Coast of British Columbia, of requests that supertanker traffic not be allowed to move throughout the waters close to the inter-tidal zones of the B.C. coast, the inevitable has finally happened.

There is a tendency for the Members in this House toward hyperbole. Sometimes the Members tend to embellish their arguments. In the discussion here tonight that has not been the case.

The issue tonight is truly a disaster of international and global proportions. With the accident at Valdez, we have let loose an ecological and environmental time bomb that we cannot control. We might have controlled it had there been immediate action taken by both the U.S. Government and the Canadian Government before the high-end distillates left the oil mass to create a sticky, globular mass half the size of Nova Scotia, 2,700 square kilometres of sticky, gooey, oily mess adrift on the high seas. No one can predict, certainly not the Minister of Transport (Mr. Bouchard) because he cannot even predict when planes will come in on time at the Toronto airport, what will happen to that mass as it drifts on the high seas in the winds and the tides.

The argument with respect to the direction that the oil mass will follow is simply conjecture.

I say to the Minister of the Environment that there is no way he or anyone in the Government can guarantee the people of British Columbia and the people of Canada that the drifting mass of oil will not impact on the B.C. coast at some point in the future. They cannot predict what will happen, and because of that the environmental integrity of the B.C. West Coast is in jeopardy at this very moment.

I want to talk for a moment about the Queen Charlottes, islands that are well known to people in British Columbia and people throughout the globe. It is a surrealistic place that is separated from the B.C. mainland by 100 kilometres of open water. It has been a refuge from the full impact of the last Ice Age. The islands house a unique ecological system, self-contained flora and fauna. It contains the world's largest black bear, the world's second highest eagle nest density, otter, wandering shrew, sea lion, seal, harbour porpoise, per-

egrine falcon, migrating whales, deer, elk, muskrat, raccoon, and the list goes on.

With spring and coho salmon fishing off the coast of Masset and Skidgate Islands, the Charlottes are truly an environmental heritage for British Columbia and for all of Canada, a way of life for the Haida nation. The area is a veritable treasure-house of environmental and tourist-related activities. To give you an example, people will pay over $2,000 for a boat trip around South Moresby Island. The people who visit these islands are the same people who go trekking in Nepal or on safaris in Africa. They are world-wide travellers, and they are flocking to the Queen Charlottes because of the pristine beauty and unspoiled wilderness that is offered there. These islands have won international recognition as an invaluable environmental and recreational resource. The United Nations has claimed a portion of the islands in the South Moresby area as a world heritage site. Our own federal Government has realized the value of the islands in its negotiations with the Province of British Columbia to make the South Moresby area a national park reserve.

I want to read a quote from *National Geographic*, 1987, that said:

> The Queen Charlotte Islands cradled off British Columbia's West Coast are among the globe's rare jewels. A dagger-shaped assemblage of 150 islands, the Charlottes are a wilderness of the first rank abounding in treasures.

This jewel of British Columbia's north coast is threatened by a needless tragedy. That tragedy as a result of the oil spill at Valdez may well threaten the sensitive and fragile environmental and ecological systems that are on that island. When you look at the map, you find that the first land mass south of the Alaska Panhandle that the oil could possibly impact is the Queen Charlotte Islands.

Fifty million litres—half the size of Nova Scotia— I say to the Minister of the Environment (Mr. Bouchard), the devastation that has been created, if it impacts on those islands, could be felt for years or decades. If this spill is allowed to foul the shorelines of the Charlottes, we will not only witness the widespread devastation to marine life but also the devastation to the economic and recreational resources of those islands. Who is going to want to fish on an island that is awash in oil? Who is going to want to visit it?

The impact of a major spill on these islands could wipe out a growing tourism trade that is only starting to be realized and felt in its true potential. To give you an example, a recent travel survey in British Columbia has shown that the most frequent, single, main purpose of trips in northern B.C. is touring. In the northwest section of the province, which includes the Charlottes, touring was preferred by 70 per cent of the respondents. The cruise ship trade now nets British Columbia about $70 million a year with coastal runs up to Alaska. It carries about 15 per cent of the 2.3 million passengers that are cruising annually world-wide.

We have a major resource in our tourism right throughout the coast. The entire tourism industry is threatened by this drifting mass of oil. I say to the Minister that this Government must act now. It must act immediately to avert further environmental catastrophe. We cannot afford to make the same mistake that was made on the West Coast. This Government's inaction toward this looming disaster has been embarrassingly inadequate. The Minister of the Environment and the Minister of Transport (Mr. Bouchard) and this Government must get off their duffs and develop an appropriate response to this and future environmental emergencies, because there will be future environmental emergencies.

We demand a full public inquiry into the West Coast oil spills and an inquiry into the inadequacies of this Government's response to those emergencies; the development of effective emergency response mechanisms for the containment of such toxic spills and the consideration of a moratorium on supertanker traffic in the immediate vicinity of Canada's inter-tidal waters; and lastly, a renewed commitment to the development of alternative emergency sources that will lessen the environmental impact on the use of fossil fuels. The people of British Columbia and the people of Canada deserve no less than this action from this Government.

• (0120)

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have sat here now this evening for the last five and a half hours or thereabouts and I have been struck with sympathy for my colleagues and their concern over this tragic incident on the West Coast of Canada. I need not remind this House that Canada is a three-ocean country and, indeed, I am sure our dimensions will extend in those directions.

This tragic oil spill on the West Coast that has sparked this debate hardly needs review here this evening. It has been mentioned many times. Reviewing it from the perspective of a sailor, we are talking about the grounding of a vessel in good visibility, in reasonably good weather. We are talking about a large vessel. You would appreciate, Mr. Speaker, that it is three times the length of a football field. When the captain decides he wants to stop it takes between two and three ship lengths depending on what speed that ship is going at. It is very difficult to manouvre. In fact, it manouvres in a turtle-like manner when everything is working well. But when the red flags start to go up things look worse and worse and worse.

We are looking at a situation in pilotage waters where ships are traditionally in danger and where every single precaution has been taken. Those precautions do not seem to have been taken in this particular instance.

These kinds of accidents are not confined to pilotage errors. They are not necessarily confined to errors in pilotage waters, that is, entering or leaving a confined harbour. There are other sorts of accidents, some that unfortunately put the Valdez oil spill well down, as was suggested earlier, in the world list in size. These accidents are not confined to the Pacific. Let me just relate a few.

Not too long ago four million barrels of oil from two oil wells spilled in the Gulf of Mexico and in the Persian Gulf. About 10 years ago two million barrels spilled as a result of a collision at sea between two supertankers near Trinidad and Tobago. I regret to remind you, Mr. Speaker, and this House that the record of the day was the *Torrey Canyon* which a few years ago sank off the coast of England and which spilled almost one million barrels of oil. I further regret that it was reported that the various emulsions used and sprayed on the water to contain this oil spill did more damage to the sea life and marine life than the oil spill itself.

In the case of the *Exxon Valdez* it involved, as we have been told this evening, 240,000 barrels. It has a potential effect on 800 fishermen in season and about 400 tourists, to say nothing of the tragic and decimating effect it has on the marine life and the sea life, and all the other kind of life in that area.

I have would just like to pose a question here this evening to all of us. What happens if there is an oil spill disaster resulting from our Hibernia project off the coast of Newfoundland when it comes into effect? We are looking at an entirely different dimension. We are looking at a lot more than 240,000 barrels of oil. We are looking at a lot more people and a lot more marine life. We are looking at 25,000 fishermen and 6,000 people involved in tourism. We are looking at $350 million in tourism alone. We are looking at the possible disastrous effect on the northern cod which terminates roughly on the Nose of the Bank, the possible decimation of the salmon species, the capelin species, and many other species of fish which abound off the coast of Newfoundland.

Let me not forget the Arctic. My hon. friend from Nunatsiaq referred to a spill in the Arctic, the Northwest Passage. There was a spill recently at the other end of the globe down in the Antarctic. I need not remind anyone here this evening of the disastrous effect that might have as well.

I had the unfortunate personal experience as a young commander to be involved in the clean-up of the Arrow disaster which took place in Chedabucto Bay in Nova Scotia in the spring of 1970. It was not a pleasant experience. It was not a rewarding task. It was impromptu and it was *ad hoc*. I remember saying to myself at the time: "Please, God, if this ever happens again let us be prepared".

I am concerned that the oil spill severity off Vancouver Island was underestimated. I am referring now to the January spill. It was underestimated to the point that it took government workers from three to five days to become seriously involved. In the meantime, exasperated citizens, most of them volunteers, had already begun the clean-up work. In the case of the *Exxon Valdez* clean-up efforts I believe the Governor of Alaska referred to the clean-up methods as slow and inadequate.

Why do these efforts to contain disasters of this nature always have to be disorganized and impromptu? We should be ready. We know it is not a question of if; it is a question of when. In 1973 the statisticians said the probability of a big Alaska oil spill was 50 per cent in 20 years. It turned out to be 100 per cent in 16 years.

I submit there is an urgent need to bring all our national resources to bear. There is a need for contingencies. We need more research and development in this area. We need better international arrangements. We need a military-civilian contingency plan to cope with these things. We need better national regulations and stiffer penalties for those who ignore them. We are going to need money. I see no reason why we cannot demand that the oil companies which are making the profits put up the money right now.

In conclusion, this giant tragic oil spill now washing ashore possibly on the shores of Canada, on the West Coast of Canada, reveals the vulnerability of our three oceans to the risk of tanker transport of oil. We live in a three-ocean country. We need a three-ocean perspective which will include a three-ocean oil spill contingency plan now.

• (0130)

Mr. Stan Wilbee (Delta): Mr. Speaker, I am pleased at the opportunity of speaking to this House again, and I am just unhappy about the fact that we do have to speak about such a disaster as we have been witnessing. I think about the geography of my riding, which is bounded on the north by the Fraser River, on the west by the Straits of Georgia, and on the south by Boundary Bay, and across Boundary Bay we have the Cherry Point refinery which was referred to by the Member for Surrey—White Rock (Mr. Friesen) and this is of course one of the termini of the Alaska oil that we have been discussing tonight. All the west side of my riding is very delicate from a natural point of view and we have the whole Fraser estuary there that is very sensitive to any spills or whatever may happen to it.

During the years I have had the privilege of working out on the West Coast in many different areas. I have worked from Carmenolite in the south up the Markley Sound where the recent oil spill was. I worked up into Niska Sound and into the Patsino area. So I am very familiar with what the terrain is like, and I can really understand what happened with the oil spill on the West Coast in January. I have also had the privilege of working in Fort Simpson which is the last Indian reserve before the Alaska Panhandle and the village of Metlakatla. I have seen the isolation, I have seen the desolation and I have seen the beauty of the West Coast of Canada and would submit, Mr. Speaker, that we have a real disaster at this time in the Alaska Panhandle and in southeastern Alaska. It is an ecological disaster. It is of a magnitude which I think most of us cannot understand. We have never envisioned it. We have not seen it and so I think that we can only go by pictures and our knowledge of the geography of that area. But I think we need to recognize, Mr. Speaker, that this was in American waters.

It was an American ship. It was handled by American people and I do not understand how the Opposition today have been trying to make political gain from such a natural ecological disaster. They have been asking for a Minister's resignation. The Minister had nothing to do with it. It was a different country. It was an area over which he had no control whatsoever. They have complained about the lack of government action, and yet I believe that the Government has done everything that it possibly could do in both of these disasters on the West Coast.

I think we need to ask the question, what could the Government have done that it did not do? First of all, we have been criticized because we did not rush in with extra equipment, with manpower, with ships, and then we have to recognize that indeed these were American waters and we must recognize American sovereignty. When we offered help and it was accepted, then we moved in to do what we could do. It was mentioned that we could have supplied them with booms. Yet we recognized that once that oil had escaped from around the ship and was out into the open ocean and the winds picked up to 100 kilometres an hour, the oil booms were completely useless in that type of situation.

We have been talking about chemicals and we have just mentioned, or the Opposition has just mentioned, that the chemicals did more damage than they do good in many situations. They have been criticized because we did not use mechanical skimmers and again these were not asked for, and we recognized that with the mehanical skimmers that they did have, that they were only able to salvage approximately 3,500 barrels of oil out of the complete spill. I think what we need to recognize is the tremendous magnitude of the spill that did occur and the necessity, as soon as something like that does happen, of attacking the spill with energy, and because this did not happen in Canadian waters and because it was well away from population centres, this was unable to be done as well as this Government would have liked to have had it done.

I think we need to recognize the geography of the country and the sparseness of the population. The ruggedness of the coastline makes it just impossible to clean the beaches, to cleanse the birds, to clean up the messes that were there, and again we recognize the part that the weather had to play in this disaster with winds that blew the oil around, that prevented the skimmers and everything from working. It is something that has to be experienced to realize the strength of the winds and the tides in that particular area.

I think what all this points out to us, Mr. Speaker, is that the most important thing in an oil spill is prevention, and I think that if anything good does come out of this debate tonight, it is the fact that we may be able to develop some better methods of prevention. I think the reason is obvious why we need to do this. With the size of the tankers that are economically essential in this day and age, an immediate response is necessary.

Perhaps we should be considering making double hulls mandatory on all tankers that are plying our waters. Perhaps we should be discussing having mandatory blood tests for all those in command of ships, and we could well imagine the shouts of disaster and infringement of civil rights that we would be hearing if this indeed were passed into law, and we know very well where the loudest protests would be coming from.

Perhaps we need to examine the traffic patterns of shipping off our coasts. As I mentioned, my riding is particularly sensitive, and perhaps we do need to re-examine and make sure that those traffic patterns that we have for our shipping lines are the best ones that are available. Perhaps the time has come to re-examine the use of pipelines in place of ships, the tankers that we are using at the present time, and as I mentioned, perhaps again we need to consider changing our regulations for ships that are using Canadian waters.

I agree that we must make those corporations that are responsible for these types of spills and disasters accountable for the damage which they have done. I think also that we need to conduct more research. We need to make our navigation safer. We recognize again that the ship had the best navigation aids available, but because of true and human error we still had the accident that occurred. We must continue to do research and clean up. We must continue to do research in our shipbuilding. Can we build these tankers to be more safe so if they are punctured in some way that they will not create the pollution that this one has created at the present time?

In summary, Mr. Speaker, let me just say that indeed we have a disaster. I think that again it will be a long time before we can fully comprehend the magnitude of that disaster, and I think that one of the best things that we can salvage from this thing is knowledge that we can use to prevent it from happening again.

I have extreme confidence, one hundred per cent confidence in our Ministers and in our Government. I can see no reason whatsoever to call upon the Minister of the Environment to resign. He did everything that he possible could in this situation. I can see no reason why our Transport Minister should in any way be under a cloud. He did everything that he possibly could, and I think that our Fisheries and Oceans Minister again was fully aware at all times of what was happening during this whole disaster and that the whole government ministerial staff operated without fault. I cannot think of any areas where they should have moved and they did not, and where they should not have moved where they did, and I think again that the Throne Speech that we have heard just yesterday emphasizes this Government's role in improving and helping our environment. I think that the world will unfold in its proper order and I believe that, because of this, Canada will be a better and safer place. Thank you.

Some Hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the hour is late, but I believe that the emergency debate which we have been involved in this evening is one of the most important debates to come before Parliament in the 10 years I have had the honour of representing the community of Burnaby.

• (0140)

On Friday, in Vancouver, my colleagues and I from the New Democratic Party announced at a press conference that we would be calling for an emergency debate as soon as the House was back in session the following Monday, which was yesterday, and that this would be a top priority for us as New Democrats.

I want to pay tribute to the work done by my colleague, the Hon. Member for Skeena (Mr. Fulton), our spokesperson on the environment for the New Democratic Party, in successfully persuading the Speaker of the vital importance of this question not just to British Columbians but to all Canadians.

In calling for an emergency debate we are focusing on two fundamental questions, questions which are inextricably linked. One was the response of the Government of Canada to the oil spill off the west coast of Vancouver Island, which occurred on December 22. That was a spill of some 175,000 litres.

Of course, the primary focus of our concern at this time is the disasters off the coast of Alaska in Prince William Sound on March 24, the disaster of the Exxon *Valdez* with a spill of over 50 million litres of oil.

I say that these two spills are linked because the reality is that we are dealing with a system in which global oil companies have only one objective, that is, the maximization of their global profits. In attempting to maximize their global profits they have, time after time, displayed utter contempt for the environment of this fragile planet.

When we talk about the importance of bringing to justice those who were responsible, both in the criminal courts and in the civil court, I say that the ultimate responsibility for this corporate negligence, for this corporate murder, lies squarely in the boardrooms of Exxon, with the corporate directors who have shown such utter contempt for our environment in their desire to maximize their corporate profits. They must be brought to justice. They must be charged criminally if there is to be any justice at all in dealing with this terrible ecological disaster.

In early January I visited the west coast of Vancouver Island. I visited with a number of my colleagues, including the Speaker of the House himself. I want to thank the Speaker for having organized the particular visit. While I was there I spoke with volunteers who were working against incredible odds. They were volunteers from my constituency of Burnaby—Kingsway, as well as volunteers from literally right across Canada. I met with workers from the Coast Guard, and I want to commend both the volunteers and the workers from the Coast Guard who put in hour after hour of dedication and energy.

However, I also want to ask the questions in the House that they were asking. The volunteers were asking on that beach, as they were struggling to deal with the devastation of the environment, why they struggled alone. Where were the Canadian Armed Forces? Why were they not called in by the Minister of the Environment (Mr. Bouchard) or by the Minister of Transport (Mr. Bouchard) to assist in this clean-up at the earliest possible opportunity? The volunteers who were there were asking these questions.

I believe the only sensible response to that and many other questions that arise from the west coast oil spill is to heed the call not just by New Democrats, but by environmentalists, native people and many other Canadians, for a full public inquiry into all aspects of this terrible tragedy. Native people on the west coast of Vancouver Island, native people on Haida Gwaii on the Queen Charlottes and elsewhere have warned us for years of the dangers of an oil spill of this nature.

Indeed, I remember a beautiful sunny day in late January standing on a beach on the northern coast of Haida Gwaii of the Queen Charlottes and looking across Dixon Entrance with a number of friends from the Haida nation. We spoke of the disaster off the west coast of Vancouver Island. They asked me to imagine the terrible tragedy if there were ever to be a similar oil spill from the Alaskan tankers which daily ply the coast. That imagined scenario is now a reality. That is what we New Democrats are pleading with the Government to recognize as well.

I was shocked when I heard the speech of the Minister of Fisheries and Oceans (Mr. Siddon), saying that there is no conceivable way that this spill can reach Canadian waters. I was shocked when I heard the Minister of Transport today saying that it is 1,000 kilometres away so we need not worry about it. I looked at a map of that area, and I know that the Minister of the Environment has looked at the same map. I would hope that they would recognize that if there is any change whatsoever in the winds or the currents this could pose a serious threat to the environment of Canada and the rivers that flow very close to that area. All of them are threatened.

If there is to be any possible risk that this spill will in fact move into Canadian waters, this spill which many of my colleagues have reminded the House is half the size of Nova Scotia, we are simply suggesting that the Government take steps to be ready.

We failed miserably to take those basic steps in dealing with the oil spill off the west coast of Vancouver Island. We stood by, believing that it would not come and would wash out to the ocean. It was too late when finally the oil started to wash up on the shores of the west coast. I have hiked the west coast trail. I have kayaked in Nootka Sound. I have camped at Long Beach. To see firsthand the results of that devastation was very painful for all of us. We do not want to see that again.

I plead with the Minister of the Environment to take the steps that are necessary. Have the containment booms in place. Have the contingency plans available for

clean up. Do the testing now of waters in that area to ensure that we know the base levels so that we are ready in the event that disaster strikes.

As well, we should surely recognize that the call by some for drilling in the Arctic National Wildlife refuge must be stopped. If ever we have a lesson to be learned it is not to allow that drilling to take place. I was very saddened to hear President Bush insisting that it was going to go ahead. Again, that mindless drive for profit at all cost must be resisted.

I listened to the eloquence of the Hon. Member for Nunatsiaq (Mr. Anawak), the Hon. Member for Western Arctic (Ms. Blondin), and my colleague, the Hon. Member for Yukon (Ms. McLaughlin). I have spoken with Norma Kassi, the MLA for the area who has been so clear and forceful in expressing concern on behalf of native people in that community. I have talked with those who have asked why there are at least no double bottomed tankers to ensure that the transportation is a little safer.

In closing, I want to reiterate our call for a full public inquiry into both the west coast oil spill and the events surrounding the Government's lack of effective response to the Alaskan oil spill.

• (0150)

I recently met with a group of children, grade three students, at Stoney Creek Elementary School in my constituency, and student after student asked me why did it happen, how did it happen. I say that our Government owes the people of Canada an explanation, and I want to plead again with the Government to allow that inquiry to take place. Let us ensure that those children who ask those questions and their children inherit a planet, a country, a province, which respects the environment and does not destroy it.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, thank you for the opportunity to participate in this most important debate, this emergency resolution on the Alaskan oil spill. To me, the discussion tonight points out clearly the contrast between how Members on this side of the House would deal with an issue like this and how Members opposite would suggest they would handle the issue.

We have on the one hand the attitude of Members opposite and the pious and patronizing attitudes of the Ministers and their comments. On this side of the House, I am proud that it is the New Democrats who have raised this issue, and particularly the Hon. Member for Skeena (Mr. Fulton) who has spoken so eloquently on this issue and who I think has the admiration of all Hon. Members for speaking so clearly and for explaining to all of us how important this issue is. We appreciate his attendance here tonight.

I think the Minister should have provided leadership on this issue and should not be running to try to catch up. In fact, government Members have been running in the last two days since this session began. Yesterday, they fumbled with the Throne Speech, and tonight, they have fallen on their face in their participation in this debate.

I want to respond just briefly to some of the comments raised by the Hon. Member for Surrey—White Rock (Mr. Friesen) about the Government led by the now Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett), a Government that introduced milestones in environmental protection. I am talking about the environment and land use committee and about the agricultural land reserve, policies that took a leadership role in that time, in that province and in this country today.

There was talk from Hon. Members opposite about how wonderful this Throne Speech was in its comments about the environment. I cannot let this opportunity go by without saying that there was not a single mention in it of our greatest environmental heritage, our forests. I challenge Hon. Members opposite to read that Throne Speech and to see if forestry is mentioned once. There is not a single mention of it.

Despite promises after promises, and after two elections now, for a commitment to legislate a full Department of Forests, there was no mention in this Throne Speech about that most important goal for British Columbia and the Government. Six forestry agreements expired across Canada on April Fool's Day, and that makes some sense for the Government across the way. There is nothing for forestry and there is nothing for the environment.

I remember the debate 22 years ago about the oil tanker traffic and oil moving down the coast in the tankers and the threat to the environment and the comments made by people to those who were concerned

about the environment. Of course, it is trendy now to talk about the environment, but there were people then and there are people now, perhaps on both sides of the House, who are concerned about this issue.

We raised those issues then because we suggested and the evidence pointed out that a spill such as that which has happened in Valdez would happen either there or off Vancouver Island or in the Strait of Juan de Fuca, and it has happened. We are dealing with a tanker that was supposed to be of the latest technology. There were people on the bridge who, as far as we know and from all of the news reports, were not supposed to be there. Oil companies have given commitments that they have not lived up to. This has pointed out to Canadians and certainly to Members of the House that this Government, in its failure to respond adequately to the oil spill off the west coast of Vancouver Island, and certainly in speeches and comments from Ministers tonight, is not prepared now to deal with a massive oil spill if it should happen off the west coast of British Columbia again or in the future.

Our debate tonight is to point out the need for the Government to plan. We have not blamed the Government for the oil spill as some Hon. Members and in fact some Ministers have suggested. What we are calling for is an inquiry to look into the issues that have been raised tonight, and the very fact that the Minister has failed to respond to the letter of January 31 from my colleague, the Hon. Member for Saanich—Gulf Islands (Ms. Hunter), about an inquiry, gives us an indication of the concern that this Government has over the threat to our coast from oil spills. Our call is a responsible one and one that can benefit all sides of the House, the Government and the Opposition and particularly the people of the Province of British Columbia and the people of Canada.

I want to sum up with the comments of the Hon. Member for Burnaby—Kingsway (Mr. Robinson) about the Hon. Members from B.C. who who have raised this issue and made it an issue in the House. We appreciate the support from Hon. Members across Canada who have spoken on this debate tonight. We look forward to that debate continuing and to their ongoing support as we continue to press this Government, and we trust that it will hear our pleas and will act urgently on this matter.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, the hour is late, it is two o'clock in the morning, but I have been known to put on some of my best performances after midnight.

Some Hon. Members: Hear, hear!

Mr. Worthy: The situation in the Gulf of Alaska is one that has been portrayed tonight by both sides of the House as a real disaster. It is that. I do not think a single Hon. Member has risen who has not concurred with that.

Even though my riding does not bound on any of the ocean waters—Cariboo—Chilcotin is large but it does not reach the coast—people there are also concerned, though not the environmentalists, not people you would expect to be hearing from. The last call I received was from a secretary in one of the mills. She explained to me that she did not know what I could do about it, but she hoped that there was something that I would be able to contribute. She expressed frustration, she expressed concern and I think it is probably typical of so many of the people who live not only in the Cariboo but of course all over British Columbia and right across Canada.

Why do they see this as such a disaster? Anybody who has sailed the coast of British Columbia, has dug for clams or shucked oysters in one of the Salt Spring Islands, or has had the fortune I had of working years ago when I was a youth and stopping in at all the ports along the west coast of Vancouver Island, would recognize that it is not just the Gulf of Alaska that they are thinking of. It is the proximity of that spill to the previous one off the coast of Washington which of course did impact on some of the British Columbia coast. It is a spectre. Any thinking British Columbian recognizes that with those oil ships plying our coast, that spill could have been in our own waters. We all recognize that that would have been a disaster that none of us would want to face.

We have recognized tonight from all those who have spoken that none of the three parties have a corner on concern about this environmental disaster. I do not think anyone should try to make a political corner out of this. I think the sensible speakers from all Parties have tended to agree that this is a common concern, that we should be looking at this in a positive manner, and that we should be taking from it what we can and coming out stronger.

• (0200)

The emergency debate tonight recognized by the Speaker as being necessary is, in my opinion, probably one of the best things that could have happened now. I was surprised to see that a matter of this much urgency to Canadians was recognized by this House and spoken to as it has been for most of the evening with three to five Ministers in attendance right through. I am impressed with that.

I think the immediate situation with the Alaska spill has been addressed by many Members from both sides of the House. We recognize that there are only certain

actions that can be taken. The responsibility for the accident was outside Canadian hands. We recognize now that if there is any potential for harm to Canadian waters or Canadian land we have to be prepared to act. We have heard our Ministers address that. They have gone further than that. That is really what concerns us here tonight. It is not the immediate spill but the spectre of what could have been. We want to know that we are prepared.

We have heard our Minister of the Environment (Mr. Bouchard) indicate that he is prepared and will conduct a full review of all of our procedures and regulations to ensure they are adequate to a potential situation that we all fear. I do not want to repeat what everyone else has said, but the Government has placed the environment as its top priority in the Throne Speech and some of the programs that were implemented in the previous session have been mentioned.

We did adopt the Canadian Environmental Protection Act which is considered to be a leader in environment protection in the world. Within three years, we will virtually eliminate all leaded gasoline, and in five years the industrial sulphur dioxide will be cut by 50 per cent. By the end of the century we have set the complete elimination of chemicals that affect our ozone layer. We have doubled the federal contribution for cleaning up the Great Lakes and of course, as has been seen by so many reporting in the press, we have become one of the world leaders, if not the world leader, in pushing for environmental reform.

I think this debate tonight emphasizes the priority the Government has placed on the environment. I am proud to say that I am part of the Government that has been taking the action it has and will continue to take the action that will be required by all Canadians.

I would like to close on a positive note that if we took the essence of most of the speeches tonight and consolidated them—I suggest the Ministers might get their staff to do that—the essence of the discussions will form a very valuable contribution to the environmental program that our Minister is contemplating.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 52(12), I am satisfied that the debate has now been concluded and I therefore declare the motion carried.

Motion agreed to.

The Acting Speaker (Mr. Paproski): This House stands adjourned until later this day at 2 p.m pursuant to Standing Order 24(1).

The House adjourned at 2.06 a.m.

HOUSE OF COMMONS

Wednesday, April 5, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ENVIRONMENTAL AFFAIRS

BRUNDTLAND REPORT—SUSTAINABLE DEVELOPMENT CONCEPT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the Throne Speech the Government proclaims its support for sustainable development, but a commitment to implementing it at home and abroad is simply not there.

There is no commitment to implement sustainable development by way of reviewing budgets, programs and policies in key Departments such as energy, agriculture, fisheries, finance, forestry, regional development, transport, defence, northern development, international aid, science and technology. In addition, we learn the federal Government will only participate in the establishment of a Centre on Sustainable Development in Winnipeg, a retreat from the Prime Minister's (Mr. Mulroney) commitment last year to the UN General Assembly. There is not a word about climate warming, about energy policies, about integrating the economy with the environment.

We are afraid that the Government is preaching rather than practising, and prefers image over substance. Canadians believe that to pay lip service to the Brundtland Report is not good enough.

* * *

DISASTERS

DEATHS OF CAMROSE FAMILY IN PLANE CRASH

Mr. Arnold Malone (Crowfoot): Mr. Speaker, today in Camrose, Alberta, a small Prairie city of 16,000 persons, a memorial service will be held to bereave the untimely death of a young family of fine people.

Tony Deis, 35; his wife Marilyn, 34, and their three daughters, Amanda, 10, Jaclyn, 7, and Kimberly, 5, were all killed in a plane crash near Newport, California.

My home city is in shock. Local citizens are still trying to comprehend the magnitude of this unfortunate tragedy. This was a family with unusual talent who worked extensively for the betterment of their community. Everyone who met them thought of them as friends.

On this hollow and unhappy day, the citizens of Camrose grieve. May we, as a collective House of parliamentarians, take some time on this day to reflect on the sadness of this occasion and be reminded of the fragility of life.

Camrose and Canada have lost a family of extraordinary fine character. May we all share in the sorrow.

* * *

SPORTS

DUBIN INQUIRY—ACTION TAKEN BY ONTARIO TRACK AND FIELD ASSOCIATION

Mr. John Brewin (Victoria): Mr. Speaker, it is imperative that nothing be done to impede the Dubin Inquiry's pursuit of the truth about the use of banned substances in Canadian and international sport.

The Ontario Track and Field Association's action in withdrawing the records of athletes who have told the truth to the Dubin Inquiry is a blatant threat to the due process of the inquiry which was established with the support of all Parties in the House.

All Canadians, including the sports federations, must be told clearly and firmly by the Government that they are expected to co-operate fully with Mr. Justice Dubin and that they must wait until all the evidence is in and has been reported upon. To do otherwise will be treated by the Government and this House as intentional interference in the inquiry and a contempt of Parliament under whose legislation the inquiry was established.

I ask the Minister of Fitness and Amateur Sport (Mr. Charest) to step into this matter today. It is time the Minister got tough with sports groups that prejudge the inquiry and interfere with its work. We in this House will

not stand by and permit any Canadian sports federation to undermine the due process of this important review.

* * *

[*Translation*]

SPACE AGENCY

MINUTES OF OUTREMONT CITY COUNCIL MEETING

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, it gives me tremendous pleasure to present in this House the minutes of a meeting of members of the Outremont City Council held on Monday, April 3, 1989:

Whereas the City of Outremont is located at the centre of the Montreal region and is easily accessible;

Whereas the *École polytechnique*, the *Hautes études commerciales* and the *Université de Montréal* are located on Outremont's border and nearby are McGill University, Concordia University and UQAM (*Université du Quebec à Montréal*);

Whereas the City of Outremont and the surrounding municipalities, including the City of Montreal, have a considerable pool of technical and intellectual talent that can contribute to the work of the space agency;

Whereas many private companies that have acquired a great reputation in the field of space and communications are near the City of Outremont;

Therefore be it resolved:

That the Government of Canada be asked to establish the head office of the space agency in the City of Outremont;

That City Council supports the efforts that the Member of Parliament for Outremont intends to make to obtain a favourable decision in this regard.

Mr. Speaker, we are very quickly approaching the end of the century. In a few years, we will be in a new millennium.

We must prepare for our entry into a new century, a new millennium, if we want to oppose this crisis of excess. With this in mind, the space agency belongs in the city and constituency of Outremont, because life there has remained on a human scale. It is a suburban city on the slope of Mount Royal, in the geographic centre of the cities on the island, part of one of the most beautiful urban parks in Canada, a city where beauty and socio-cultural diversity come together and contribute to maintaining a personal quality of life.

Outremont has everything required to host the space agency and would be delighted to do so. We have become "modern" while continuing to value tradition—

Mr. Speaker: I am sorry but the Hon. Member's time has now expired.

* * *

• (1410)

[*English*]

UNITED NATIONS

NAMIBIA—PARTICIPATION OF CANADIAN PERSONNEL IN OBSERVER FORCE

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the United Nations is in the process of sending to Namibia a UN observer force which includes 247 Canadians to supervise the withdrawal of South African troops and SWAPO from Namibia. Since last weekend, approximately 190 rebel troops and Namibian police have been killed in battle. This represents the heaviest fighting and the largest military incursion by guerrilla forces in the 23-year war between South Africa and SWAPO.

The South Africa Government has now demanded that the UN force, presently numbering 1,000 and including 65 Canadian personnel, take immediate action to prevent further SWAPO incursions and to enforce the peace agreement or it will abrogate the treaty and initiate its own military action. The security and safety of Canadian troops appears to be threatened by this dangerous escalation of the conflict.

I call on the Government to inform the House of the status of our peacekeeping force and to make clear what contingency plans it has to ensure the safety of our troops and to secure peace in Namibia.

* * *

INDUSTRY

FUTURE OF INGLIS CLOTHES WASHING MACHINE PLANT

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the men and women who make half of Canada's clothes washing machines intend to go on making them for Canadians. Soon after the Mulroney-Reagan trade deal came into force, the Inglis Corporation, 70 per cent owned by Whirlpool in the U.S.A., announced that it will close its only washing machine factory located on Strachan Avenue in Trinity—Spadina. It plans to supply the Canadian market from its huge, newly equipped plant in Ohio.

Within days, 600 enthusiastic plant workers, members of Local 2900, United Steelworkers of America, declared they would mobilize to take over the plant and continue making washing machines for Canadians. Their union, which has carried through half a dozen successful worker buyouts in the United States, bringing money–losing plants back to economic health, is convinced it can do that with the profitable Strachan Avenue enterprise.

Toronto's Mayor Eggleton has agreed to ask Toronto City Council to contribute to the cost of the feasibility study and protect the manufacturing zoning of the Strachan Avenue site. Canada's capitalists may be quitting but Canadian workers will take over.

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VISIBLE MINORITIES

PLAQUE COMMEMORATING INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, in 1942 Japanese Canadians were uprooted from their homes, relocated, and interned in camps or deported, because of unrealistic fears and discrimination. On April 1, 40 years to the day that the Government of Canada restored full rights to Japanese Canadians, I attended a plaque unveiling ceremony commemorating their internment at the very site of the staging facility used in the 40s, the Pacific National Exhibition grounds in Vancouver.

The plaque, in English, French, and Japanese, follows up the Prime Minister's announcement last September of a redress settlement for Japanese Canadians. I would like to give special recognition to 88–year–old Reverend Canon Gordon Nakayama of the Diocese of New Westminster who, in a clear, strong voice, described what it was like in 1942 when he had to help comfort the Japanese Canadians who were being forcibly relocated. He then stated: "Now I think Canada is the best country in the world."

* * *

CONSUMER AFFAIRS

CREDIT CARD INTEREST RATES

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, during the last few weeks, Canadian consumers have been subjected to skyrocketing credit card interest rates. This is not the first time in the Government's history that consumers have suffered as a result of rising credit card interest rates. If the Government maintains its hands–off policy on this issue, it certainly will not be the last.

In March of 1987 recommendations proposed by the Standing Committee on Finance and Economic Affairs, together with the threat by the then Minister of State for Finance, the Hon. Member for London West (Mr. Hockin), managed temporarily to lower the interest charge on unpaid credit card balances. Canadian consumers need a commitment from the Government that they will be adequately protected from the recurrence of rising interest rates in 1989. The Government must ensure that consumers are not victimized by these excessive fees.

* * *

AGRICULTURE

CANADIAN DAIRY INDUSTRY – RETENTION OF MARKETING BOARDS URGED

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am proud to represent the federal riding of Oxford which many colleagues will know is the dairy capital of Canada. Both the dairy industry and Canadians have benefited from a supply management system run by efficient provincial milk marketing boards. As a result, Canadians enjoy dairy products of the highest quality and at price increases well below the cost of living.

I would like to urge our Government and our GATT negotiating officials to resist very strenuously any movement to eliminate or compromise on Article XI of the agreement. In its present form and interpretation, Article XI does not consider domestic marketing boards as providing unfair advantage in international trade.

Further, Canada's milk supply management program which is the envy of many other countries contains the elements for ensuring that world markets are not oversupplied with low–priced dairy products. Thus, the focus of our participation at the GATT negotiations should be on agricultural export subsidies and not on Article XI and our own domestic supply system.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

OIL SPILL CLEAN-UP EQUIPMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of the Environment. We heard much ado about nothing in the Throne Speech regarding the Government's commitment to the environment. Yesterday in the House of Commons we heard more hollow assurances about the Canadian Government's contingency plan to clean up any possible results of the *Exxon Valdez* oil spill. Yet we know from information from the Canadian Coast Guard that our Government's equipment is antiquated, out of date,and certainly not able to handle a similar spill of the size of the *Exxon Valdez*.

How can the Minister continue to plead his concern about the environment when his Government is so obviously unable to back it up with the facts, the dollars and the equipment to do the job?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, it is one thing to try to raise false alarms. It is another thing to look at the real facts.

The real facts are that this Government and all the resources of the involved Departments stand ready to step in if the improbable arrival of the oil would happen. We have activated our contingency plans. We have hundreds of people on alert. We have stockpiles of equipment ready to be used, so there is no reason to be alarmed.

Furthermore, there is another reason not to be alarmed. According to our information and our close monitoring of the movement of the oil, it is absolutely—well, very highly, almost absolutely impossible for the oil to come down to Canada. We all know that the spill is located now, as it was 11 days ago, at about 1,000 kilometres from the coastal border of the U.S. and Canada, and we know that the movement of the spill has been constantly in a westerly direction toward the open ocean. This has been confirmed this morning by an independent UBC scientist, and our own government scientists have an international reputation.

There is no reason to try to alarm Canadians. This being said, it is absolutely our duty, all of us, to check and to verify if our control traffic systems and response capabilities are able to cope with something improbable that could happen.

VALDEZ OIL SPILL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, there is a simple principle that the Canadian people understand even if the Minister of the Environment does not, and that is that what goes out must come in. It is ridiculous to suggest that an oil spill of the magnitude—

Some Hon. Members: Oh, oh!

Ms. Copps: —of the Valdez is not going to affect—

Some Hon. Members: Oh, oh!

• (1420)

Mr. Speaker: The Hon. Member.

Ms. Copps: Mr. Speaker, the Government may consider this a joke but I am sure thousands of people who live on the coast of British Columbia whose livelihood depends on the fisheries and the other industries do not consider this a joke.

As we speak, Exxon, which has hardly been a good corporate citizen, is in the process of floating the *Valdez*. The oil has not been completely removed from the ship. Is the Minister prepared today to contact the U.S. Government and demand that the U.S. Government and not the company involved supervise any movement of this tanker which may in any way affect the Canadian coastal waters?

[*Translation*]

Hon. Lucien Bouchard (minister of the Environment): Mr. Speaker, first of all, I would like to state my ignorance of a new principle of physics that would have impressed Newton as well. As far as salvaging and refloating the ship is concerned, I can confirm there have been discussions between representatives of the Canadian Coast Guard, the U.S. Coast Guard and Exxon to examine various possibilities. The Canadian Government, through our Coast Guard, has made it clear that no movements would be authorized with the ship, if salvaged, without submission of a complete transportation and evacuation plan. Our conditions for authorizing movements by this ship will be very strict indeed.

SPILLAGE OF PCBS INTO SAINT-MAURICE RIVER

Ms. Sheila Copps (Hamilton East): We can hardly expect to trust what the Minister says, since in August last year, the other Minister, "mini-bouch", went to Saint-Basile-le-Grand to tell the people there would be no more PCB spills in Quebec. We now know that since Monday, 6,800 litres of PCBs have been spilling into the St. Maurice River, which may affect the drinking water of the people of Trois-Rivières, Shawinigan and Quebec City. I would like to know why the Government expects us to believe the promises they are making now with

respect to Canada's West Coast, when what they said about PCBs in Quebec turned out to be false.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I just received a call with the information that a PCB spill did in fact occur in the St. Maurice River. Before entering the House, I asked my Deputy Minister to check this information, take any emergency measures that may be needed right away and report to me after question period.

* * *

[*English*]

AIRPORTS

CANADIAN AVIATION SAFETY BOARD RECOMMENDATIONS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Transport. Since 1985 there have been at least 57 near collisions within a 50 kilometre radius of Pearson International Airport. Only sheer luck and the grace of God have prevented the occurrence of an immeasurable disaster.

Yesterday the Canadian Aviation Safety Board released two recommendations in response to the three near misses in December, 1988, and in January of this year. It called upon the Minister to implement new safety measures to protect the Canadian traveler. The Minister need not wait the required 90 days since the report says, and I quote.

"These problems should be addressed without delay".

Will the Minister assure this House today of what he will do immediately? In fact, with the safety of the travellers in question, what will he do within the hour to implement those vital recommendations as presented by the Canadian Aviation Safety Board?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Canadian Aviation Safety Board published this report yesterday and we received it today. Meanwhile, however, departmental employees have been working on the problem it raises, and it is a pleasure to be able to inform the Hon. Member that controllers have now been informed of the procedures and given the appropriate training, and the procedures will be in effect as of April 7, in other words, this Friday.

[*English*]

AIR TRAFFIC CONTROLLERS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have a supplementary question for the Minister. I don't think Canadian travellers can afford to play Russian roulette with air safety as they go into airports.

What are we doing about more air controllers at Pearson International Airport, Mr. Speaker? That is a vital question. What are we doing about more controllers at Pearson International Airport so that the safety of Canadian travellers can be assured?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the Hon. Member for Thunder-Bay—Nipigon should have listened to his colleague from Port-au-Port—St. Barbe who confirmed that Canadian skies were not insecure, that they were safe.

As for procedures at Lester B. Pearson, obviously there has been a considerable increase in traffic. Our controllers at Lester B. Pearson have a certain number of flights they must control. People who are surprised at the delays at Lester B. Pearson should understand that the directives are quite clear. We handle the number of flights that air traffic controllers are able to control. We have done everything we could.

We have the maximum number of controllers in training at our facility in Cornwall. We have made an appeal to U.S. controller trainees, and we also have people who are being trained in the field.

Mr. Speaker, playing with air safety matters is a very dangerous game. When I, as the Minister of Transport, guarantee that Toronto's airport is safe and that we have all the mechanisms we need, I do that because I think it is true, speaking as a Canadian and not as the Minister of Transport.

[*English*]

ENVIRONMENTAL AFFAIRS

OIL SPILLS—STATUS OF TRANSPORT DEPARTMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Transport. Three months ago we had a major oil spill off the West Coast of Vancouver Island, and the Department of the Minister revealed itself to be totally inadequate in rising to the task of cleaning up the damage. We had to rely on the volunteer effort of people in that area to do the job.

We now have another major potential serious situation for Canada which, as the debate in the last 24 hours has shown, once again the Government is totally unprepared to cope with.

What did the Minister of Transport do in the last three months in terms of major reorganization of his Department here in Ottawa and on the ground, both on the West Coast and on the East Coast, in order to cope adequately with such a disaster?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I sincerely regret that the Leader of the New Democratic Party is succumbing also to the temptation of using false alarms. We all know that the performance of the Coast Guard and all the Departments involved last January has been completely professional, serious, and very efficient.

I was there. I could see it. I do not know if the Leader of the NDP was there but I was there and I checked personally that everything was going very well. I can tell you, Mr. Speaker, that the process has been followed since then.

We terminated the operations of clean-up a few days ago. We have no answer to the third phase of when it rains what will happen and going to a post-mortem of the old operation.

I think it is under control and we are completely ready to cope with any situation.

[*Translation*]

Mr. Broadbent (Oshawa): Mr. Speaker, my question is not directed to this Minister but to the Minister who is responsible for the problem in this region.

[*English*]

CANADIAN COAST GUARD

Hon. Edward Broadbent (Oshawa): The Minister knows that I am not critizing the particular individuals in the Coast Guard service. I am critizing the Minister for not having enough people and enough equipment on the ground. Everyone in British Columbia knows that. Everyone in British Columbia knows that it was volunteers who did the job.

I want to ask the Minister who is carefully not answering the questions. He is responsible for the Coast Guard, not the Minister of the Environment. I want to ask the Minister responsible what steps have been taken in the Coast Guard, and beyond that, since there is much more shipping on the East Coast than there is on the West Coast, will the Minister do the right thing now and set up a public inquiry into procedures pertinent to the shipping of oil in tankers and clean-up procedures and report back at the earliest possible time to the Government of Canada?

• (1430)

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, when an accident affects the ecology and the environment, the whole Government is concerned. We cannot dissociate the responsibilities of the various ministers and individuals who are working on the operation.

As for the matter of regulations and the rather excessive request for a commission of inquiry, Mr. Speaker, we are a responsible Government. We know where our duty lies, and we know Canadians expect us to review existing regulations and improve, if necessary,—and we don't think it is—our response when intervention is needed.

Mr. Speaker, the House may rest assured that we will do what we have to do so that Canadians will know the environment is in safe hands.

[*English*]

REQUEST THAT MINISTER OF TRANSPORT ESTABLISH PUBLIC INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Minister to go back out to Vancouver Island and take a look. My colleagues from British Columbia have told me that they are still cleaning up where it was damaged three months ago.

I want the Minister who is responsible for the Coast Guard to answer the questions. Will the Minister of Transport undertake what he ought to do, the responsibility to have a full public inquiry, so we can get in place the proper regulations that could hopefully head off such disasters in the future?

Hon. Benoit Bouchard (Minister of Transport): No, Mr. Speaker.

* * *

FISHERIES

CANADA–FRANCE AGREEMENT

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, my question is directed to the Minister of Fisheries. His own officials have confirmed that the fish quotas allotted to France in that infamous agreement last week exceed the catch levels dictated by sound management conservation practices.

Will the Minister of Fisheries explain, to the House and the thousands of fisherman and plant workers who were hung out to dry by that cowardly capitulation to international blackmail last week, his treachery in standing idly by—

Some Hon. Members: Order, order!

Mr. Speaker: I would ask the Hon. Member to put his question and not use the word "treachery".

Mr. Simmons: Mr. Speaker, will the Minister explain why he stood idly by last week and allowed the conservation advice of his officials to be trampled underfoot? Is it true that the Minister is being ignored, is being silenced, is being muzzled by the Prime Minister on this issue?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, after 12 years of negotiations the Department of Fisheries officials, with the assistance of their Minister and other Ministers here, have concluded an agreement that protects Canadian fishermen in the long run, and succeeded, in a disputed area which is not under Canada's control, in convincing France to reduce the catch of 26,000 tonnes that it allotted itself for the last three years down to under 16,000 tonnes this year.

I wonder if the hon. gentleman would explain to me why it is that the president of the French fishing company Comapeche in St. Malo has stated: "We've been rolled in the mud. Canada has put French fishermen up for sacrifice. I can only say we regret the attitude of Canada." He also said that Canada has been playing a waiting game for three years "So France had to go for an agreement and this is better than nothing. It gives us barely enough to survive, just hardly enough to keep from starving, and there will be some cadavers". That is what the French think of this agreement.

MINISTER'S POSITION

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I am not sure if that was the muzzle or the muzzle loader. Perhaps the real Minister of Fisheries, the Minister from St. John's West, would explain to us why Mr. Vic Young, the president of the Newfoundland-based Fishery Products, the world's second largest fish company, and a good friend of the Minister, has condemned the deal.

Will the Minister tell us if this deal is the best thing since sliced bread, as he says, why he cannot convince his friends, the officials in Fisheries, and the industry itself that it is a good deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, most persons want to take a non-partisan objective approach to this. I wish to quote from a transcript of a program on CBC on April 3, at 12.20 p.m. on which I appeared with Mr. Young. He was asked the question: ". . .do you think the sacrifice was worth the cost of getting the deal?" Mr. Young answered: "Well, I think the deal had to be done, yes. I don't think there's any doubt about that."

Go back to your sources again, my son. You are way behind the times.

* * *

[*Translation*]

SOCIAL SECURITY

INTEGRITY OF OLD AGE PENSIONS

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, he refused to formally commit himself to maintaining the principle of universality for social programs. The Minister of National Health and Welfare has said that as far as the government was concerned this principle was unchallenged. I would like to remind the Prime Minister that the former Minister of National Health went so far as to write that universality was sacro-sanct and that deficit reduction would not be carried out through a reform of social programs. Then a month later, the government tried to deindex old age pensions and reduced family allowances by 1.2 billion dollars.

My question to the Prime Minister. . .

Some Hon. Members: Out with it!

Mr. Malépart: Don't get excited. I'm getting there. I want to get a clear and honest answer. Can the Prime Minister give senior citizens the assurance that their old age pension cheques will be fully indexed and that those with lower incomes will not be subjected to double taxation? In other words, can the Prime Minister give us the assurance that he will not in any way cut old age pensions to reduce the deficit?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the Government made it clear both in the Speech from the Throne and yesterday in response to a question from the Hon. Member that the principle of universality was one which was supported.

The hon. gentleman now is asking for comments related to taxation measures. Those are properly dealt with in the context of a Budget and it would not be appropriate for me either to confirm or deny any suggestions that he puts forward. He should wait for the Budget.

[*Translation*]

M. Malépart: The cat is almost out of the bag, Mr. Speaker. Mrs. Denis had better get ready for another bout!

INTEGRITY OF FAMILY ALLOWANCES.

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): My supplementary question is directed to the same Minister.

[*English*]

Could the Minister assure the Canadian families that the family allowance will not be cut to reduce the deficit?

[*Translation*]

Can Canadian families get the assurance that the Conservative government will not cut family allowances to reduce the deficit? Yes or no?

[*English*]

Hon. Perrin Beatty (Minister of National Heath and Welfare): Mr. Speaker, during its term in office the Government has significantly increased family allowances in Canada. We expect that they will continue to increase in the future.

* * *

VIA RAIL

PC TASK FORCE REPORT

Mr. Iain Angus (Thunder Bay— Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. When the Liberals tried to cut the deficit by taking apart VIA Rail, just like this Government appears to be set on doing, the now Deputy Prime Minister took a PC Task Force across this country in defence of VIA Rail. Its report entitled "The Last Straw" concluded that the federal Government has a responsibility to ensure that rail passenger services in Canada be retained, modernized, and expanded as an important part of our national transportation system.

Will the Government live up to its report and its promises of the 1984 election by ensuring that VIA will not only receive the funds necessary to maintain its existing operations, but also to modernize it operations? Will he do that?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, yesterday I gave to an Hon. Member the same answer I will now give the Hon. Member for Thunder Bay—Atikokan. The answer was that any decision concerning VIA Rail or any other Crown corporation for that matter will be made in due time.

• (1440)

[*English*]

REQUEST FOR MINISTERIAL COMMITMENT

Mr. Iain Angus (Thunder Bay—Atikokan): My supplementary question is directed to the same Minister. I am quoting from a newspaper article. When Maritime Tory MPs plead for VIA's life and the Minister himself has told his own constituents "There will be cuts", it is no wonder the people of Canada suspect the worst. Will the Minister make a commitment in this House that VIA will not be cut back at all so it can maintain its existing operations?

[*Translation*]

Hon. Benoit Bouchard (Minister of Transports): Mr. Speaker, I receive representations on all issues I have to deal with, but this in no way changes my earlier answer. When a decision has to be made on VIA Rail, I will make it.

* * *

[*English*]

THE ECONOMY

Mr. Girve Fretz (Erie): Mr. Speaker, the constituents in my riding of Erie and the people across Canada have a growing concern about the huge deficit that we have.

Some Hon. Members: Oh, oh!

Mr. Fretz: The Minister of Finance deserves congratulation for the fine work that he has done.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member will put his question.

Mr. Fretz: Canadians are well aware of the fine job the Minister of Finance has done—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Mississauga East.

SOCIAL SECURITY

UNIVERSALITY OF PROGRAMS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Throne Speech contends that an expanded economy is the only way to maintain our cherished Canadian social programs. Canadians know that the only way to maintain social programs is for the Government to protect the sacred trust.

Why is the Government not prepared at this time to commit itself to maintaining the universality of existing social programs?

Hon. Perrin Beatty (Minister of National Health and Welfare): Perhaps the Hon. Member was absent the last couple of days when this question was asked. The Government supports the concept of universality.

The point which the Hon. Member makes is an important one. During the tenure of this Government, we have provided jobs to over 1,300,000 Canadians. We have provided new opportunities for Canadians, and we have done away with the massive unemployment and inflation that were robbing Canadians of their opportunity to get ahead.

FAMILY ALLOWANCES AND OLD AGE PENSIONS

Ms. Albina Guarnieri (Mississauga East): I can appreciate the Minister's reply, but there is a difference between principle and application. I can also appreciate that perhaps his colleague, the Minister of Finance will torpedo another one of the Minister's ships.

My supplementary is that seniors know from previous experience the value of this Government's word. Can the Minister reassure this House that programs such as family allowances and old age pensions will still be available to all Canadians?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, we have always supported the concept of universal payments. I have indicated this on several occasions both yesterday and today. Most importantly, when we are worried about the condition of the weakest and poorest in our society, what is essential is that the Government get its economic house in order and not return to the days in which Canada's pensioners saw their life savings stolen from them by the cruel tax of inflation as a result of prolific government spending.

ABORIGINAL PEOPLES

POST-SECONDARY EDUCATION FUNDING—STUDENT'S HUNGER STRIKE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is directed to the Minister of Indian and Northern Affairs. I met with eight students from Thunder Bay who are on the fifteenth day of a hunger strike to protest changes to the post-secondary education funding of native students. This is a crisis. This is a very serious life-threatening situation.

How can the Minister on the one hand sing the praises of this successful program and on the other hand impose an arbitrary capping to these funds? How can anyone take seriously the reference to aboriginal people in the Throne Speech when the aboriginal people have just received such a slap in the face from the Government?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): First of all, I would like to congratulate my colleague on her appointment as critic.

Secondly, I would like to agree in part with my honourable colleague that the hunger strike is a life-threatening situation, and I urge the students to put an end to it and go back to university.

Some Hon. Members: Oh, oh!

LEVEL OF FEDERAL SPENDING

Ms. Ethel Blondin (Western Arctic): In view of the devastating effect this amendment of the education policy will have on thousands of native students, will the Minister reconsider his position and put a moratorium on the financial freeze so that we can see whether the Government has a true commitment to the aboriginal people of Canada?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): As I have already indicated to the students on the hunger strike in a letter to them after they made a request in writing last week, and I quote: "Every response to the consultations was reviewed carefully, and we listened to what was said. Important changes to the policy were made, and my officials have been instructed to review the policy periodically to ensure that it is responsive to the changing needs and priorities of students and Indian communities."

My response today is the same. I am prepared to review the new policy as it is put in place. If there are improvements to be brought forward, I will bring them forward.

POSITION OF ALBERTA CONSERVATIVE CAUCUS MEMBERS

Mr. Robert E. Skelly (Comox—Alberni): I have a supplementary question to direct to the Prime Minister. I have a letter addressed to him from the Chair of the Alberta Conservative caucus which states:

> We believe that the effect from these proposed cut-backs will be severely negative with unfortunate ramifications to Native education and our political acceptability.

Will the Prime Minister listen to his own Alberta colleagues, which include the Deputy Prime Minister and the Secretary of State for External Affairs, and put a moratorium on the capping of this program and restore the program to what it was before?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): All the people of Canada who have looked carefully at the new guidelines realize there are no cut-backs.

REQUEST THAT PROGRAM BE RESTORED TO FORMER STATUS

Mr. Robert E. Skelly (Comox—Alberni): Everybody who has examined the new guidelines finds that with the increase in native population, as a result of Bill C-31, and the fact that the vast majority of those people are around the age of 25, the demand for post-secondary education will be growing in coming years. Capping the program will mean that more native Indian people will be denied post-secondary education.

At a time when the Government in its Throne Speech is expressing a commitment to literacy, native economic development and native languages, it does not make sense to put a cap on the program. Will the Minister consider removing the cap and restoring the program?

• (1450)

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Obviously it would be a lot simpler if everybody read the guidelines. There has been no cap put on at this time. Two years ago my predecessor announced that this program would have to function within its budget. Notwithstanding that, the budget has been increased since then by 10 per cent and will most probably continue to grow as needs continue to grow. There is no Government, Mr. Speaker, that has done as much for Indian people and northern people in this country as this Government has.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

DATE OF PRESENTATION

Mr. John Reimer (Kitchener): Mr. Speaker, my question is directed to the Minister of Finance. When will this House and the country receive the Minister's Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I must say I appreciated the previous question that was tending in that direction. Mr. Speaker, we are going to have a Budget in a very short while. It is absolutely essential that we in this House understand the significance and the importance of the deficit and debt problem that we have, and I know that a number of Hon. Members on both sides of the House have acknowledged the seriousness of this problem. We propose to address this in the Budget.

The Budget will be brought down on April 27, and at that time we will be able to respond to the concerns that have been expressed by people, as I said, on both sides of the House.

Some Hon. Members: Hear, hear!

* * *

VIA RAIL

GOVERNMENT POLICY

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I would like to address my question to the Prime Minister. In 1984 the present Deputy Prime Minister announced that he was going to "put romance back into passenger rail", but now the Prime Minister has threatened to force an unwanted divorce. Mr. Speaker, I hope that today the Prime Minister, having misled the country with his mischievous misrepresentations—

Mr. Speaker: The Hon. Member knows that he is going a little too far. Would the Hon. Member put his question leaving out those words?

Mr. Dionne: Thank you, Mr. Speaker. Will the Prime Minister have the honesty today to lift the threat of execution from VIA Rail, and will he do it now?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I said earlier, as I stated to my colleague yesterday, that concerning the operations of Crown corporations coming under the Departement of Transport, decisions are made on an ongoing basis. We will continue to do so, and that is the only announcement I wish to make.

[*English*]

REQUEST FOR PUBLIC HEARINGS

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I had addressed my question to Charlie McCarthy, not Edgar Bergen. Or vice-versa; it doesn't make much difference.

An Hon. Member: The question is from Mickey Mouse.

Mr. Dionne: Mr. Speaker, during the 1981 VIA Rail debate the Conservative Party argued that no decision on VIA Rail should be taken without "the right to hold public hearings, to be heard and have an opportunity to express concern about the criteria of public convenience and necessity."

Will the Prime Minister make a commitment now to hold public hearings before any cuts occur in VIA Rail?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, if the hon. Member puts the same question twenty times, I will give him the same answer twenty times.

* * *

[*English*]

AGRICULTURE

DROUGHT ASSISTANCE COMPENSATION PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is to the Minister of Grains and Oil Seeds. Last November 10 he promised that he would bring in a drought assistance program providing up to $40 per acre for wheat in the worst affected areas of western Canada and up to $50 per acre for corn in the worst drought affected areas in eastern Canada. So far, practically no farmers have received any assistance, even though they are getting ready to put in their crops.

Will the Minister stand in this place and answer one simple question? Are the amounts that he had announced last November, with or without any provincial government participation, to be paid, because the interim amounts have been very small and certainly do not represent 70 per cent of the amount that was promised last fall?

Will he be paying up to $40 per acre for wheat in western Canada where the crop is totally lost, and up to $50 per acre in eastern Canada for corn where the crop is totally lost, as he promised in this press release last November 10?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we are in the process of making interim payments as the Hon. Member knows, which amount to $12 an acre in parts of western Canada and up to $16 an acre in Ontario for corn and soybeans.

The estimates that we talked about last fall stand exactly the same. Nothing has changed. It is a program that is designed based on crop concerns, information we gathered from the provinces, and we have identified about 65,000 producers who are eligible for interim payment. At the end of this week we anticipate about one quarter of those cheques being in the mail, and we anticipate all the interim cheques being in the mail by the 3rd of May.

SIZE OF PAYMENTS

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, a supplementary question to the same Minister. I want to point out to the House that the Minister represents the same riding, the same area where I grew up.

I am not happy about that, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Axworthy (Winnipeg South Centre): It is an embarrassment to be in the same riding—

Mr. Speaker: Perhaps the Hon. Member would put his question again.

Mr. Harvard: Farmers need that money now. They are getting into seeding. They do not need the money in July. The question is this: Are you going to come through with a full $850 million or are you going to ask the provincial Government to kick in a share?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I was trying to keep it a secret that we both grew up in the same area, and I am not happy about it either. Mr. Speaker, with that kind of a performance, I am not too sure that any us would agree that he ever did grow up either.

An Hon. Member: Oh, oh!

Mr. Mayer: Well, Mr. Speaker, I happen to live in the same area and farm in the same area, and I want to tell

the Hon. Member as a farmer that farmers need money in June and July, and that is when they are going to be getting money and it is going to be of assistance to them, and they are getting it now. Between $250 million and $300 million is going to be in the mail to farmers by the 3rd of May. That is a fair amount of money.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

GOVERNMENT CONTRACTS

MEMBER FOR CHAMBLY—ALLEGATIONS OF FRAUD AND ABUSE OF TRUST—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a question for the Prime Minister. According to a statement to the RCMP made on November 9, 1988 by the Prime Minister's Former Chief Secretary Peter White, the Conservative Member for Chambly, and I quote: "is concerned because he believes he has been involved in improper actions in 1985 and 1986."

When did the Prime Minister for the first time hear of those serious allegations, which led to an RCMP investigation into corruption, fraud and breach of trust charges? What steps did the Prime Minister take to check those allegations, before he approved Richard Grisé's candidacy?

Hon. Pierre Blais (Solicitor General of Canada and minister State (Agriculture): Mr. Speaker, I believe the facts mentioned by the Hon. Member come under the responsibility of the Solicitor General. From time to time, Mr. Speaker, the RCMP launches investigations in Canada. I believe it is complety improper in this House to make public comments on those investigations, because this would hinder the RCMP in the proper conduct of their activities.

• (1500)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, Mr. Grisé's candidacy was approved by the Prime Minister, not the Solicitor General.

PRIME MINISTER'S POSITION

Mr. Svend J. Robinson (Burnaby—Kingsway): I have a supplementary for the Prime Minister. The RCMP seized all documents pertaining to the electors in the constituency of Chambly and the Conservative Member has disappeared from the picture.

What actions will the Prime Minister undertake to ensure that constituents in Chambly are not penalized under these very serious circumstances?

Hon. Pierre Blais (Sollicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, in my mind a Minister of the Crown should not enter into irresponsible speculations. In this country, everyone is entitled to a fair trial. If the Hon. Member is aware of facts involving any individual, let him go to the RCMP and make a statement—and this applies to all candidates in his own party.

It is the RCMP's job to make investigations. The matter is presently under investigation and there will be no further comment in this House on irresponsible speculations.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF ANNOTATED STANDING ORDERS

Mr. Speaker: I have the honour to table in both official languages the annotated Standing Orders of the House of Commons, an important new reference work on parliamentary procedure.

[*Translation*]

I have the honour to table in both official languages the annotated Standing Orders of the House of Commons, a thorough reference work on parliamentary procedure.

[*English*]

Over the past three years, staff, under the direction of the Clerk and Deputy Clerk have been working toward the publication of this companion volume to the Standing Orders which provides almost 500 pages of thorough and up-to-date commentaries, historical summaries and reference notes on each Standing Order of the House.

[*Translation*]

The annotated version of the Standing Orders is intended to make livelier and more productive reading and especially to provide more practical information.

A brief commentary is given beside each Standing Order, which describes the current interpretation given to the rule.

The historical background and development of the Standing Order and a description of significant changes which may have been made since Confederation are also provided.

All this is followed by references which constitute an essential collection of examples of the rules' application.

[*English*]

The annotated version of the Standing Orders is intended to make livelier, richer and more productive reading, and especially to provide more practical information.

A brief commentary is given beside each Standing Order, which describes the current interpretation given to the rule. The historical background and development of the Standing Order and a description of significant changes which may have been made since Confederation are also provided. All this is followed by references which constitute an essential collection of examples of the rules' application.

I know the annotated Standing Orders will be a valuable complement to other works of reference on the procedures of the House and as such I hope all Members will find it both useful and informative as they carry out their duties.

I know all Hon. Members will want to join me in complimenting the Clerk, Deputy Clerk and all their staff on an absolutely superb work which will be of great benefit to our deliberations.

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know it is unusual to do so under tabling of documents, but let me say that I have had an opportunity to review somewhat, not at length, the annotated Standing Orders book. I think it is an immense contribution to this House.

I want to join with you and I am sure all colleagues in the House in complimenting the Clerks and everyone who was part of it. I notice that it expanded on our history in this place. I think that is important and valuable. I am not sure my friend from Ottawa—Vanier needs the assistance since he has most of this committed to memory, at least that is what he assures me whenever we are arguing the points.

I am sure that you worked your way through the first 400 pages, Mr. Speaker, and are now working on the annotations and footnotes. For my purposes, I want to be able to find emergency debate. The Table has been of great assistance to me in the last 100 times I have had to look it up.

I do not think I should go on any longer because there are more speeches to be made today, except to say that this is a work of art. In fact, it is a gift from the Clerk Emeritus, our Clerk and all of those who worked so hard to put it together. On behalf of myself, my colleagues, all Members of the House and those who follow us, I want to say thank you to everyone else.

Mr. Speaker: I know the Hon. Minister of Justice (Mr. Lewis) whose remarks were generous and certainly well intended, I believe, may have some difficulty in finding in this new work the item "emergency debate". However, I suggest he might look under "oil spill".

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition I want to commend the team of people who put together this volume of the annotated Standing Orders of the House for their outstanding work. This work is a tremendous contribution not only to Canadian parliamentary law but to the facilitation of the operations of this House.

I hope that the kind words of the Government House Leader and Minister of Justice (Mr. Lewis) indicate a commitment that he and the Government take these rules so seriously that they will no longer have recourse to using their majority to suspend or throw these rules out the window anytime it suits their purpose. If what the Government House Leader and Minister of Justice says about these rules is to be taken seriously, and certainly I intend my remarks about these rules to be taken seriously and I am sure that will be the case for the spokesperson for the New Democratic Party, we must not only praise those who produced this outstanding volume, we must commit ourselves to live by and within these rules if parliamentary government is to be taken seriously.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to join with my colleagues on behalf of New Democrats in the House of Commons to extend my thanks and appreciation to all of those who made these new Standing Orders with the appropriate references available for us today. I suspect that many of us, let alone people who watch this process, often are mystified as to just what is happening. I suspect many of us shared that mystery in trying to understand why we are doing certain things, trying to understand precedents and so on.

Something that makes this particular reference work different is that it is our own. We have always had to depend on outside reference work. This we have done ourselves and it reflects our Parliament. It is very professionally done and very practical. Indeed, it is a milestone in Canadian parliamentary jurisprudence. It is an excellent work, and, as the Minister of Justice (Mr. Lewis) indicated, it is a piece of art. To those of us who try to make sense out of the mystery that surrounds this place, it is a piece of art and we appreciate it very much.

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ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a number of order in council appointments which were made by the Government in 1988.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

• (1510)

PRIVILEGE

NON-SMOKER'S HEALTH ACT

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I had raised a matter yesterday regarding the anti-smoking Bill that passed this House, and it was confirmed today in *The Ottawa Citizen* that the Minister of Labour (Mr. Corbeil) is amending this private Member's Bill rather than proclaiming it. I did not argue that yesterday, but I consider it to be a serious breach of Members' privileges.

However, given that the situation is an ongoing one and I raised it yesterday, I will not pursue the question of privilege today, but I will flag it as a matter that I will take the liberty to raise again in the House of Commons if the Government does not proclaim this Bill as soon as possible.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATION TO ENVIRONMENT CONFERENCE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the official parliamentary delegation to the Conference on the Environment in the Arctic in Moscow, U.S.S.R., on January 28 to February 3. This was the first time for the Soviet Union to host such a conference of parliamentarians to discuss the circumpolar environment, and a tone of utmost co-operation was evident throughout the conference.

I was particularly pleased to hear in the Throne Speech this week of our country's determination to work with other northern allies and neighbours to develop a new co-operative ethic in the Arctic. It was further discussed that subsequent meetings of parliamentary delegations be held concerning the circumpolar environment. I table the document with you today.

* * *

CANADIAN NATO PARLIAMENTARY ASSOCIATION

PRESENTATION OF THIRTY-SIXTH REPORT

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House the Thirty-sixth Report, in both official languages, of the Canadian NATO Parliamentary Association.

* * *

[*Translation*]

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Louis Plamondon (Richelieu) moved for leave to introduce Bill C-201, an Act to amend the Canada Labour Code (scabs and essential services).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Plamondon: Mr. Speaker, I have the honour to introduce a Bill to amend the Canada Labour Code so as to prevent Crown corporations from using scabs during a labour dispute.

I want to be consistent with the approach I took two years ago when I joined the picket line in the Canada Post dispute to show my disdain for the antidemocratic, antisocial and retrograde use of scabs during a dispute, particularly since this was on the first day of the strike.

I introduce this Bill in the hope that all Members in the House will support it, especially now that we are just beginning to implement the Free Trade Agreement. We have to show that labour relations in Canada are altogether different from those which prevail in the

United States, that we want not only to stay ahead in that field but also improve labour conditions in this country so they will be quite different from those south of the border.

I thank my colleague from Jonquière (Mr. Blackburn) for supporting my Bill.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CANADIAN PARLIAMENTARY CHANNEL

PROPOSAL BY CABLE TELEVISION INDUSTRY AND CBC

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have three brief motions which have been reviewed with my colleagues, the House Leader of the Official Opposition and the House Leader of the New Democratic Party. I believe there would be unanimous consent to put the motions immediately.

The first one is as follows. I move:

That the subject matter of the proposal by the Canadian cable television industry and the Canadian Broadcasting Corporation for a licence to operate a bilingual specialty programming network, styled the Canadian Parliamentary Channel (CPaC), be referred to the Standing Committee on Elections, Privileges and Procedure for examination and study and for report to this House not later than May 26, 1989.

Motion agreed to.

* * *

JUSTICE AND SOLICITOR GENERAL

REFERENCE TO STANDING COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I move:

That pursuant to Section 2(1) of an Act to Amend the Criminal Code (Prostitution), Chapter 51, 1st Supplement, Revised Statutes of Canada, 1985, the Standing Committee on Justice and Solicitor General be the committee to review the Act.

Motion agreed to.

Motions

STANDING COMMITTEES OF THE HOUSE

MOTION TO REVISE LISTING OF COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have a motion to revise Standing Order 104(2) which is the listing of committees. Copies have been provided to the House Leaders of the Official Opposition and the New Democratic Party. I would move:

By unanimous consent, it was ordered, —That Standing Order 104(2) be deleted and the following substituted therefor:

"(2) The standing committees, which shall consist of not less than seven and not more than fifteen Members, and for which lists of members are to be prepared, are those on:

(a) Aboriginal Affairs;

(b) Agriculture;

(c) Communications, Culture, Citizenship and Multiculturalism;

(d) Consumer and Corporate Affairs and Government Operations;

(e) Elections, Privileges, Procedure and Private Members'Business;

(f) Energy, Mines and Ressources;

(g) Environment;

(h) External Affairs and International Trade;

(i) Finance;

(j) Forestry and Fisheries;

(k) Health and Welfare, Social Affairs, Seniors and the Status of Women;

(l) Human Rights and the Status of Disabled Persons;

(m) Industry, Science and Technology, Regional and Northern Development;

(n) Justice and the Solicitor General;

(o) Labour, Employment and Immigration;

(p) Management and Members'Services;

(q) National Defence and Veterans Affairs;

(r) Public Accounts: and

(s) Transport.

NOTE: For the purpose of this Standing Order, a Parliamentary Secretary shall not be a member of a standing committee which has in its mandate the review of a department to which the said Parliamentary Secretary is attached."

That Standing Order 108(3) be deleted and the following substituted therefor:

"(3) The mandate of the Standing Committee on

(a) Communications, Culture, Citizenship and Multiculturalism shall include, among other matters:

(i) the monitoring of the implementation of the principles of the federal multiculturalism policy throughout the Government of Canada and in order

– to encourage the departments and agencies of the federal government to reflect the multicultural diversity of the nation; and

– to examine existing and new programs and policies of federal departments and agencies to encourage sensitivity to multicultural concerns and to preserve and enhance the multicultural reality of our nation; and

(ii) the review of policies, programs and their administration, in the areas of citizenship, citizenship development and promotion and related programs which provide opportunities for fuller participation in the educational, economic and social life of Canada.

(b) Elections, Privileges, Procedure and Private Members' Business shall include, among other matters:

(i) The review of and report on the Standing orders and procedure in the House and its committees; and

(ii) the selection of items of Private Members' Business pursuant to Standing Order 92, and the consideration of business related to Private Bills;

(c) Human Rights and the Status of Disabled Persons shall include among other matters:

(i) the reviews of any report on the reports of the Canadian Human Rights Commission which shall be deemed permanently referred to the Committee immediately after they are laid upon the Table; and

(ii) the proposing, promoting, monitoring and assessing of initiatives aimed at the integration and equality of disabled persons in all sectors of Canadian Society;

(d) Management and Members' Service shall include, among other matters:

(i) the review of and report to the Speaker as well as the Board of Internal Economy, on the administration of the House and the provision of services and facilities to Members provided that all matters related thereto shall be deemed to have been permanently referred to the Committee upon its membership having been established; and

(ii) the review of and report on the effectiveness, management and operation, together with the operational and expenditure plans of all operations which are under the joint administration and control of the two Houses and other related matters as the Committee deems fit;

(e) Public Accounts shall include, among other matters, review of and report on the Public Accounts of Canada and all reports of the Auditor General of Canada which shall be severally deemed permanently referred to the Committee immediately after they are laid upon the Table;

and any other matter which the House shall, from time to time, refer to the Standing Committee."

And, that the references in Standing Orders 91, 92, 132, 133(2), (3) and (4), 135(1), 140 and 141(4) to the "Standing Committee of Private Members'Business" be changed to the "Standing Committee of Elections, Privileges, Procedure and Private Members' Business".

Motion agreed to.

* * *

PETITIONS

DESIGNATION OF ROUGE RIVER VALLEY BREV

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is my privilege to present, on behalf of constituents of Scarborough, a petition which concerns the Rouge River Valley in Scarborough, and this is the first petition of the second Session of the Thirty-fourth Parliament that I would like to present.

This is a particularly beautiful area of Metro Toronto. The petitioners are calling upon the federal Government to protect this endangered wildlife and wilderness area in the Rouge Valley. This has become a particularly crucial issue because the provincial Government is presently threatening to put a garbage dump or a freeway right through this unique, environmentally sound area.

The federal Minister of the Environment (Mr. Bouchard) has already established his support for this protection. The Mayor of Scarborough has supported this as have the Rouge Valley System and the Coalition of Scarborough Community Associations. The petitioners call upon the federal Government to work with the Government of Ontario to establish the Rouge River Valley as a Canadian heritage land or a provincial park.

PROPOSED SALES TAX ON MUSIC LESSONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I think it is appropriate that I table these petitions, given the date of the budget in April.

Constituents of mine humbly submit that the sales tax on music lessons will hurt the average family for whom music education will become too costly. With the sales tax on music lessons, Canadian children will suffer, talent will go undeveloped and the future of Canadian music both nationally and internationally will be jeopardized. Music educators are active participants in education departments in every province of Canada. Their knowledge and expertise provides students with qualifications which enable them to enter our universities and faculties of music.

• (1520)

Wherefore, the undersigned, your petitioners humbly pray that the Government consider music study as an educational process and therefore exempt music education from the proposed sales tax.

PROPOSED CLOSURE OF POSTAL STATION -VICTORIA

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, it is an honour and privilege to present a petition signed by several dozen of my constituents which states that whereas the Canada Post Office Corporation has threatened to effect closure of the Victoria Post Office, wherefore, the undersigned, your petitioners humbly pray and call upon Parliament to reject proposals which will decrease the postal service to our local community, to take strong and immediate steps to assure us that our post office, which serves a great need in our community, will not be closed, put out on contract, relocated to another community, replaced with supermailboxes or any other inferior service.

VIA RAIL—GOVERNMENT COMMITMENTS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and the privilege to table two petitions in the House today. They have been certified correct pursuant to Standing Order 36 by the Clerk of Petitions.

The first is with regard to the need for an effective and efficient national passenger rail system in Canada. The petitioners point out the record of the previous Liberal Government and the current record of this Government and call upon the Government to live up to its original pledge to support Via Rail, to abandon plans for further cuts to its budget and to operate the necessary resources to allow Via to operate as a modern effective transportation company rather than a museum.

POST- SECONDARY EDUCATION FUNDING

Mr. Iain Angus (Thunder Bay—Atikokan): The second petition, Mr. Speaker, deals with a matter of very urgent importance. A number of students from my community, Thunder Bay, who are actually residents of all of northwestern Ontario are currently on a fast or a hunger strike and call upon the Government to put a moratorium in place dealing with post-secondary funding.

These petitioners from Thunder Bay call upon the Government to fulfil its rightful obligation and duty by withdrawing the draft policy and begin a process of consultation with First Nations and First Nations' students who will be most affected by the said policy.

Point of Order—Mr. Lewis

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

SOFTWOOD LUMBER EXPORT CHARGE

Mr. Maurice Foster (Algoma): Mr. Speaker, pursuant to Standing Order 52, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration. This concerns the need to renegotiate or cancel if necessary the 15 per cent softwood lumber export charge which remains on lumber produced in Ontario for export to the United States.

This export charge is especially harmful to the softwood lumber industry in northern Ontario, which has already suffered losses of hundreds of jobs due to the combined effect of the export charge and a higher Canada/U.S. exchange rate. The export charges are a severe burden on the industry and the Government's failure to seek and negotiate the charge with the U.S. requires the attention of the House and urgent action by the Government.

Mr. Speaker: I should say to Hon. Members and to the Hon. Member for Algoma (Mr. Foster) who, of course, gave me notice of this application, and I have looked at it carefully, the matter, of course, is of considerable concern to the Hon. Member and to many Canadians.

However, I have to advise the Hon. Member, taking a careful look at the rules that I must be guided by in calling for an emergency debate, that the situation at the moment at least does not merit that.

I thank the Hon. Member for his intervention.

* * *

POINT OF ORDER

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, immediately before Orders of the Day are called, I would like to indicate that there has been the usual discussions among the Parties, and it is agreed today we will have both the Right Hon. Leader of the Official Opposition (Mr Turner) and the

Leader of the New Democratic Party complete their contributions to the address debate today and that immediately thereafter the House will adjourn. That would mean that in the event the Leader of the New Democratic Party's remarks went beyond six o'clock p.m., the time would be extended to allow him to finish his remarks.

I would like to point out, if I may, that the Prime Minister (Mr. Mulroney) has written to the Right Hon. Leader of the Official Opposition with respect to his activities today. He will be required to greet the President of Costa Rica at the airport at 5 p.m. and, therefore, he may not be able to be in attendance for the completion of the remarks of the Right Hon. Leader of the Opposition or the Leader of the New Democratic Party. Obviously the Prime Minister regrets that because of this diplomatic commitment he is unable to be here for the major speeches. That is why he took the precaution of writing to the individuals and that is why I have confirmed it in writing.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, April 4, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her speech at the opening of the session.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to thank all of my colleagues on both sides of the House, from all quarters of the House, for their best wishes during my recent operation and recovery. I am pleased to report that the healing process appears to have been successful and I am feeling renewed, refreshed and reinvigorated.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra:) My first reaction to the Throne Speech is that the document is not a confident agenda of a Government heading into its second mandate. Indeed, it is a tired repetition of some of the same old lines we have heard before. It is not as if the Government has not had enough time. It has had 97 days to explain to Canadians whether it intends to break election promises, raise taxes or cut expenditures. After waiting all this time, we now know that the Government intends to do all three. Canadians are going to get shafted by the Mulroney Government, shafted by a new regressive and inflationary value added tax or consumption tax; shafted by tax increases; shafted by a policy of high interest rates; shafted by the Prime Minister's broken promises on investment programs and shafted by changes to the unemployment insurance system.

What about child care? We have just a vague promise. There is no commitment to legislation. There is no commitment to do anything about post-secondary education in this country when most Canadians recognize that education is the key to our future. There is not a word in this speech about the housing crisis. There is no mention of minority language rights. Air safety is not mentioned. There is no mention of the renewal of the ERDA agreements, fundamental as they are to regional equality and regional development in the country. What about the commitment in the speech to do something about predatory overfishing on the Atlantic coast three days after this Government sold out Newfoundland to the French? What about the claim in the speech that the Government's regional development programs are working well? Tell that to Atlantic Canadians. Tell that to people in northern and eastern Ontario. Tell that to people in western Canada. How about yet another promise of the Prime Minister (Mr. Mulroney) to clean up the ethics of his own Government? That will hold until the next scandal.

Speaking of scandals, Mr. Speaker. I was pleased about one feature of the Throne Speech. I was pleased that the Governor General was permitted to read the speech herself. After his recent breakthrough at the Academy Awards, I was surprised that the Minister of Communications (Mr. Masse) did not try to elbow Her Excellency out of the way!

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

An Hon. Member: And the winner is. . .

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): There are presidential tendencies by this Government and this Prime Minister but at least that decorum was maintained.

As is the tradition, Mr. Speaker, I congratulate the mover and the seconder of the Speech from the Throne, the Hon. Members for Calgary Southeast (Mr. Richardson) and Bourassa (Mrs. Gibeau) respectively. Considering the limited material that they had to work with, I felt that they were fertile in terms of creativity, did the best that they could, and indeed made excellent personal speeches.

• (1530)

[*Translation*]

We are happy to welcome our new members, men and women from all regions in this country, including the Territories. They are taking their first steps in Parliament, but they are dedicated, hardworking, observant and very determined to represent their constituents effectively.

Mr. Speaker, you may rely on our full co-operation in maintaining the high standards, dignity and discipline expected in this House. However, I wish to inform the Prime Minister it is our firm resolve to form a vigilant and vigourous opposition. We intend to remind the Government as often as necessary that Canada is not the private domain of the rich and powerful, of the businessmen of this country. This country also belongs to people across Canada who cannot make ends meet. There are businessmen who try to make a profit at any cost, but there are people across this country who are suffering and who need the assistance of governments at both levels.

[*English*]

Parliament, except for two weeks in December, has not been sitting for six months. As Parliamentarians we have had a wasted winter. After the November election we were called back only briefly to accede to the trade deal. We lived up to our commitments. Since then the Government has been on autopilot, drifting, delaying the recall of the House. Meanwhile, Canadians have been caught, hit with sky-rocketing interest rates, accelerated concentration of economic power in the hands of fewer and fewer people; foreign take-overs, mergers. American Express has come to Canada and it is "not going home without it". In fact, we have given them a bag.

Air safety is in chaos. Talking about air transport, there has been nothing but ministerial sloppiness and incompetence. Following the Gander crash we demanded a full public inquiry. The Government denied that there was a problem, yet the Canadian Aviation Safety Board gave the Government a split decision on the reasons for the crash. We needed a public inquiry. Safety warnings were not passed on to the airlines in time. Twenty-four people lost their lives in the Dryden crash. An assistant Deputy Minister of Transport was fired. There was confusion and turmoil in the Department. Canadians are worried. Are our skies safe? We have two Ministers and neither one is doing the job. There is ministerial incompetence, and departmental chaos.

Where is the plan to deal with spiralling interest rates? Where is the plan to deal with the devastating impact that those rates are having across the country? How high will the Government allow these rates to go? How high will the Minister accede to the Governor's wish to push them higher and higher, 14, 15, or 16 per cent. Where does it stop? I suppose we must await the Budget.

After spending four years of slashing the budgets of environmental programs, of ravaging Environment Canada, the Government and the Prime Minister had a deathbed repentance during the election and they discovered finally what the Throne Speech eloquently calls the environmental imperative. It talks of limits on toxic chemicals, improving water quality, protecting the Arctic, and an acid rain treaty with the United States. We understand that vocabulary here; that was our program.

There is also something called an environmental partners' fund to encourage awareness of the environment. We do not need anything as Canadians to make us more aware of the environment. Canadians are aware of the environment. They know that four years of inaction and budget cuts have taken a severe toll on the efforts of Canadians to meet the environmental challenge ahead of us. Canadians want action and not rhetoric. So far all we have seen is the Prime Minister grandstanding at an environmental conference in Europe.

The following is what the respected international environmental group Friends of the Earth had to say about Canada and two of the other countries at that conference in The Hague. "Particularly hypocritical are the Canadian, Dutch, and Italian Governments which have in turn slashed energy efficiency and conservation budgets in recent years." So much for that award. The Prime Minister in this type of posture is embarrassing all of us. I challenge him to get serious.

If last night's debate is any indication of the preparedness of this Government on environmental matters when we debated on an emergency status the Alaska Canada oil spill, then the Government is hopelessly unprepared. The policy announced last night was "Don't worry Canadians, it will all blow away." Wait for the right tides, wait for the right winds, and pray to God that nothing happens. That was the policy of the Minister of the Environment(Mr. Bouchard).

Some Hon. Members: Shame!

[*Translation*]

Mr. Speaker, during the election campaign, the Prime Minister shouted from the roof tops that Canadian men and women should vote for his party because, and I quote: "We can manage this country. We can manage change." But where did all those change managers go? They vanished into thin air. The only memorable incident since then was a statement by the Minister of Finance who solemnly informed us that his Government did not intend to keep its election promises. No less! The only statement in four months!

During the campaign, the same Minister of Finance made a very clear distinction between the Government's policies and election promises. He denigrated our platform. Our political platform was just a bunch of election promises but the Government's election promises were commitments! Quite a difference! He defended that position seriously, talking about billions of dollars that would be spent. Well, we were wrong to believe the Minister of Finance.

Before the House resumed sitting, the Minister had already changed his mind. He put all those billions back in his pocket, because today, four months later, we can no longer afford to spend them. Mr. Speaker, this Government, this Prime Minister and his Minister of Finance have fooled us with their promises. This Government has quite simply deceived Canadians across the country.

It is quite obvious they never had the slightest intention of keeping their word or meeting their commitments. They were only interested in buying Canadian voters, in buying the election so they could sell this country at a discount to the Americans.

[*English*]

During the last election the Liberal Party fought what we believe was a good, tough, and clean campaign. We talked about the issues. We talked about losing control over the economic and social levers necessary to shape our future, and the disastrous impact the trade deal will have on this country because it abandons those levers and surrenders our sovereignty.

We were told by the Prime Minister, when he launched the negotiations with the United States, that the sole purpose of a primary bilateral deal with the U.S. was secure access into the American market. We told him that that meant two things. It meant an exception from American protectionist trade law, and it also meant a dispute settlement mechanism to enforce that exemption. The issue of secure access to the American market was never discussed or defended by the Prime Minister during the last election, and with reason.

Under Articles 1902 and 1904 of the trade agreement, American trade law, countervail, antidumping, surtax, and quotas can still be applied against Canadian exports. Under the American Statutes of 1930, the Trade Act of 1974, and the Omnibus Trade Bill of 1988, the same laws still apply against our lumber, our potash, our steel, our fish, and they are still to be applied on a daily basis by the Americans. True, we have a dispute mechanism. We have a tribunal headed-up on our side, coincidentally, by strong supporters of the deal. This tribunal cannot challenge American law. Under the agreement, it can only apply that law against American judicial precedent and practice.

• (1540)

Those on our side who were fortunate enough to meet with the senior members of the U.S. Congress and who asked if there was any way to negotiate a more secure access to the U.S. market were told by Senators on the Republic democratic side that there is no way the United States Congress would ever yield its jurisdiction over trade law. That being so, the sole purpose of this deal was not obtained. It is not a free trade agreement. It is not even a trade deal. It is the Sale of Canada Act.

Look what we gave away! Energy. Americans wanted secure access to our energy, and they got it, especially in times of shortage. The same regime applies to all our renewable and non-renewable resources, including water.

There is now an explosion of plans to export trillions of cubic metres of natural gas from our Arctic. I welcome that development for the people of the Territories. However, since deregulation, gas exports to the United States have increased by over 70 per cent. This is going to continue. Because of the proportionality regime in the trade deal, we could find ourselves as Canadians locked into supplying 60 to 65 per cent of our gas to the United States at bargain basement prices. Once those volumes are established, we are bound by those volumes under

the trade agreement. The upcoming National Energy Board hearings do not make much difference because that body has been turned into nothing more than a monitoring agency with no authority to limit or change export levels.

Agriculture. We on this side of the House told the Government and the Minister of Agriculture (Mr. Mazankowski) that there was no way we could contemplate free trade in agriculture. Our climates are too different. Our growing season is shorter. Our costs are higher. Our burdens are heavier. Yet our farmers' cash crops, vegetables, fruits, and horticulture and everything that was protected by marketing boards is now thrown into direct competition with the farmers of California, Florida, Georgia, Mississippi and Alabama. They have a 12-month growing season, and our farmers are caught in a climate they have been dealing with for over two centuries in a very courageous fashion.

The agricultural supply-management system will be negotiated away. We were warned that food processing would move out. Quaker Oats, Heinz and McCain's have already said they are leaving.

Fishing. We have talked about fishing in this House, but what this agreement did was give up our rights under GATT. There is no exemption in favour of our fishing people or our fishing processors as the Government claims.

Control over foreign investment. The screening has evaporated to a limit of $150 million on a direct acquisition and no limit on an indirect takeover. We now have unlimited takeovers. In anticipation of the trade deal, the increase in foreign ownership was under way prior to the election. According to Investment Canada's report for 1987-88, foreign takeovers, 70 per cent of which were American, increased sharply to $22.2 billion worth of investment, up from $12.5 billion the year before. American business is now poised under the deal to pick up Canadian companies at bargain basement prices.

Capital markets. We said repeatedly that our banking insurance and investment industries are now wide open to American penetration, particularly banking. We do not have any reciprocal rights into the American market, primarily because of state jurisdiction over banking and the prohibition against linking banking and investment under the American legislation. We do not have reciprocal rights. American Express was at our doors the very day of the election, and they will be the first of many.

During the election campaign, we won the battle for the minds and hearts of Canadians. On the trade issue, more than one and a half million people voted against that deal than voted for it.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We won the message. The message was winning the election for us. The Conservatives did not respond to our message on trade, a message that Canadians were concerned about. They attacked the messenger. They launched an unprecedented, personal attack on my character, sincerity and competence. Their negative ad campaign was a textbook model to be studied for obvious comparisons to similar events south of the border.

We also saw the unprecedented intervention of big business with millions of dollars, uncovered by the Election Expenses Act, in an advertising campaign in support of the deal.

We saw democracy stripped of its majesty. It was a cynical manipulation of public opinion, a power-hungry reach for the lower side of human nature. The Government was playing to fear and not to the pride of a nation.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I say again to the Prime Minister: You have a tarnished mandate. You have a sullied victory. You bought an election and sold out a country, and Canadians will not allow this country to be sold out!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Over four million Canadians have supported the Liberal Party. Fifty-seven per cent of Canadians voted against the deal. Canadians in eight out of ten provinces voted against the deal. We will continue to oppose the trade deal in accordance with the mandate given to us by those who supported us. We will seek to lessen its negative impact on Canadians by promoting adequate adjustment programs, programs the Prime Minister guaranteed Canadians would be in place in time to prevent any hardships that might follow the deal. Once again, the Prime Minister has made promises that he will not and cannot keep.

How often did we hear from the Prime Minister that the trade deal was not going to hurt anybody? The Prime Minister and his friends in the business community knew that thousands of workers ran the risk of losing their jobs in the so-called "rationalization" of North American business. The Prime Minister said it would not be a problem because his Government would bring in adjustment programs. We all remember that.

Now we have the long-awaited de Grandpré Commission appointed by this Government. Mr. de Grandpré and his colleagues have stated that there cannot be adjustment programs targeted to help those who are hurt by the trade deal. The reason he says there can be no specific programs to ease the pain is that the impact of the trade deal is so large and varied. Once more, either the Prime Minister did not know what he was talking about, did not know the facts, or simply did not want to let the facts interfere with his story during the election campaign.

It is now the duty of this Prime Minister and Government to provide Canadian workers with adequate adjustment programs. On this side of the House we will insist that they be sensible programs directed specifically to the workers who will pay for the Prime Minister's trade deal with their jobs, financial insecurity and social dislocation.

We also intend to be vigilant and watchful during the five to seven years of negotiation on the definition of "subsidy". Those subsidy negotiations are critical for us. They will define what future Canadian Governments can or cannot do for individuals and for the disadvantaged regions of the country. Canada has agreed under the deal to negotiate for the next five to seven years over what is an allowable subsidy. The real negotiations are now under way. This Government signed a trade deal with the United States before all its terms were negotiated or signed. That is like signing a real estate contract to sell your house before you have agreed to negotiate the terms. The Americans have aggressively stated, their goals in these negotiations. They include removal of the exemption for Canadian culture, an end to any investment screening of business, a definition of an unfair subsidy as any Canadian Government, law, regulation, or practice that is "an adverse impact upon American business and producers".

• (1550)

This is a vital issue facing Canada. This vital issue facing us in the next few years is the negotiation of subsidy. Yet there is not a single word about these negotiations in the text of the Throne Speech.

[*Translation*]

Who is going to negotiate for us? Will the provinces be involved? Will we, as Members of the House of Commons who, after all, represent Canadians, be informed of all the aspects of these negotiations? The Prime Minister made a solemn commitment that social programs and regional development would never be affected, but we have heard all this before. We have heard this tune many times. We have also heard the Prime Minister refer to our social programs as a sacred trust, but that did not keep him from trying to deindex old age pensions. Today, the threat looms even larger, when we hear the Prime Minister's friends, Canadian businessmen, demanding cutbacks in our social programs. Incredible, what a difference a few months make in the Conservative vocabulary! During the last election campaign, social programs had once again become inviolate and sacred. In Quebec City, taking his own mother as witness, the Prime Minister said, and I quote:

> Why would I want to hurt my mother?

In public, businessmen claimed that the Mulroney agreement had nothing to do with social programs and would have no impact on them.

However, even before the election we thought there was something fishy when we read the September bulletin of the *Conseil du patronat*. In its bulletin, the *Conseil du patronat* maintains that to remain competitive with the United States and with their American rivals, Quebec businessmen should no longer be required to finance certain health insurance programs.

More recently, the President of the Manufacturers Association, Mr. Laurent Thibault, wanted the Government to reduce the deficit by cutting certain social programs because, and I quote:

> They undermine our ability to make the transition to free trade.

The Canadian Chamber of Commerce sings the same tune. Pressure on our social programs does not have to come from the United States. The Prime Minister's friends are quite capable of bringing that pressure to bear themselves.

[*English*]

The trade issue will haunt this Parliament and our country. It has added fuel to the merger mania. It has thrown open our businesses to American takeovers. I have heard the arguments—synergism, more efficiency, more productivity—but in a world where the Japanese have led the way into the smaller decision-making groups, to bringing decisions to the work floor and the factory, I have never seen convincing proof.

Where are the new jobs as a result of these mergers and takeovers? Where is the new technology? Where are the new ideas? Where is the new efficiency? The case has not been proven. I say once again that the trade deal is takeovers unlimited. It is what the economists call the rationalization of North American businesses, rationalization in favour of American businesses at the expense of Canadian workers.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, you read about it every day. No sooner was the election over than there were plant closings, mergers, takeovers, Gillette, British Footwear, Northern Telecom, Texaco, Wardair, Consolidated Bathurst. The list goes on and on.

Combine that growing concentration of economic power in Montreal, in Toronto, especially across the border, with the deregulation and privatization of our transport services in this country sponsored by this Government—Air Canada, VIA Rail, Canadian National—and you have the trend toward the shutting down of rural and small town Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I had the opportunity in private legal practice to appear in several major cases before the regulatory agencies of this country and of the provinces. There used to be a phrase in our statutes: "Public convenience and necessity". It meant that anyone who wanted a licence to transport goods or people across this country had to prove public necessity, had to prove public convenience and had to prove that equal service would be given to Canadians no matter where they lived in this country. That has been eliminated and now market forces are king.

Privatization. We have seen before our eyes the elimination and dissipation and dilution of the public infrastructure of transportation in this country, publicly owned, again to ensure that there was equal service no matter where you live. Now the service of Air Canada has been cut—Stephenville, Sydney—I could go through all the communities. The same fares will be paid, but not the same service, not the same style of aircraft. We are getting to a situation with VIA Rail. What have the Conservatives argued for years in opposition? They argued that VIA Rail should be strengthened, that we should have high speed passenger trains, particularly on the Quebec City/Windsor corridor, that we should have high speed trains to allow us to compete with other industrial nations to take the load off the airports, off our highways which are becoming more and more congested around our major cities and to reduce automobile pollution.

In 1985 the Deputy Prime Minister said this: It is now time to turn VIA into a strong system that is cost effective, national in scope and one which Canadians will be proud of and will use. That is the Member of Parliament from Vegreville.

The current Minister of Transport (Mr. Bouchard) is now contemplating the elimination of passenger rail service in this country supported by the Prime Minister who says use it or lose it, quoting statistics that only 20 per cent of it is being used anyway.

Well, he is wrong again. The proper figure according to VIA is 52.4 per cent with even higher capacity on lines in more populous areas. As my colleague from Miramichi has put it so well, if the Prime Minister is determined to scuttle VIA Rail, the least we can expect is he tell the public the truth.

Ms. Copps: That would be a switch.

Mr. Turner (Vancouver Quadra): We appeared this morning with the Atlantic caucus under the chairmanship of the Member of Parliament for Beausejour in New Brunswick. We heard the workers from Atlantic Canada wondering what their future and their jobs were under this governmental policy of dismantling VIA Rail. We now know that the Liberal Members are being joined by the Atlantic Members who are expressing the same concerns, that if this is a free parliamentary system, we want to see those Atlantic Members from the Conservative Party join us in protesting what has happened.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I notice that the Hon. Member for Annapolis is keeping his counsel and his head low in a rather unusual prudent fashion, but anyway I recognize him as a friend of long standing, and I am sure that he must be wrestling with this particular problem.

What happens, Mr. Speaker, is that if you live in this country anywhere outside of Vancouver, outside of Toronto or outside of Montreal, under this policy of concentration of power, deregulation and privatization of our transportation services, dismantling of our rural postal routes, you are going to be out of luck because the Tory Government has abandoned 120 years of nation building where every Canadian was to be given equal service and treated equally.They have now embraced the philosophy of the unfettered free market.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, this country was not built solely on market forces. We built this country east and west and north with a railway and a national airline and a national highway and a pipeline and a broadcasting system. We built it with a public infrastructure. We built it against the pull of north/south market forces. We built a public infrastructure to bind this country together. We opposed the trade deal so vigorously because that deal was a sell-out of everything that we had stood for and upon which the country had been built. The same philosophy of the trade deal permeates the Throne Speech: *laissez-faire*, free market forces, neo-conservatism, profits before people, let the weak take care of themselves, the strong will profit and everything is fine, Jack.

We will be an aggressive opposition, Mr. Speaker. We are going to stand up for the less powerful in our country. We are going to continue to hold this Government to account every step of the way. We are going to monitor this trade deal. We are going to challenge the growing concentration of economic power. We are going to oppose the shut down of rural and small town Canada. We are going to highlight the despoiling of our environment. We are going to resist the deterioration of our health care and other social services. I warn the Prime Minister and the Minister of Finance (Mr. Wilson) that we are going to give the upcoming Budget sharp scrutiny.

The Prime Minister now talks about reducing the public debt. What happened since 1984? Who is responsible for the situation that this country finds itself in?

• (1600)

Since the Government assumed power in September, 1984, it has pushed up the public debt from $170 billion to over $320 billion today. It has piled up as much public debt as every previous Government since Confederation. It did that in only four years—despite the biggest tax increases for individuals in Canadian history. The tax increases over the last four years have been larger than they were during two world wars.

Despite the strength in the economy the Government has spent the last four years mismanaging the country's finances and piling debt on top of debt. It is now asking Canadians to pick up the tab. The Prime Minister knew the numbers. The Minister of Finance knew the numbers. They have misled Canadians. They are now going to answer to Canadians for what they have done.

Some Hon. Members: Hear, hear!

[*Translation*]

M. Turner (Vancouver Quadra)—Mr. Speaker, we must be extremely vigilant. The Government's drift, its inability to act in a coherent, thoughtful way in dealing with the great problems of this country are a serious threat to all Canadians.

This House has not sat for six months, except for a few days in December. In the meantime, a significant number of events have occurred and they have very tangibly altered the mood and the unity of our country.

Absent, invisible and silent since last fall, the Prime Minister has let the situation deteriorate to a point where basic values are now either being threatened or downright trampled underfoot.

The whole history of Canada, since the very day it was founded, reflects the fragile balance between the two founding peoples and the two language communities. It is the duty of all of us here in the House, the elected representatives of the Canadian people, to work zealously, carefully and generously to cement the links between these two language communities.

Mr. Speaker, when I entered this House for the first time in 1962, as a Member from Quebec, we were just beginning to provide services in both official languages. That was thanks to John George Diefenbaker. He must be given credit. During Mr. Pearson's administration, there was sensitivity to the problems of national unity and of accessibility for both languages, especially at the federal level to begin with. Mr. Pearson appointed André Laurendeau and Davie Dunton to prepare the Laurendeau-Dunton report on bilingualism and biculturalism.

Thanks to these inquiries, we were finally able, under Mr. Trudeau's administration, to present an official languages bill.

Then, in 1969, I was Justice Minister. I crossed the country because I had much responsibility for this bill. I consulted the provincial governments, I negotiated with the attorneys general of the four western provinces because there were objections, I appeared before provincial legislative committees throughout Canada and, as in all cases involving language, this law to legitimize equal status for our country's two official languages was hard to accept in some parts of our country. We needed great patience and determination to reach our goal.

But we did reach it, thanks to Canadians' tolerance, generosity and good will.

I have thus spent much of my public life advancing the cause of French in Canada and especially ensuring the key position of Quebec in our Canadian Confederation.

It was in this spirit, Mr. Speaker, that in an interview with the Montreal daily *Le Devoir* in June 1986, I presented a reform plan to bring Quebec back to the constitutional negotiating table.

Of course Quebec is legally tied to the 1982 agreement, but the Government of Quebec did not sign the document. I do not intend to delve into the reasons for that. We had to complete the 1982 initiative so that Quebec would politically, emotionally and psychologically regain its place in the great Canadian family. We had to anchor Quebec in Canada. We had to make sure that all Quebecers, Anglophones and Francophones alike, would feel at home within the Canadian confederation.

Our non-partisan propositions did reach that objective, so much so that Premier Bourassa at the time described them as being positive, precise and concise. Despite its flaws, the agreement signed at Meech Lake a year later was indeed a step ahead. We supported it then and we still do now. However right from the beginning we kept saying here in the House and through our Senate colleagues that it had to be improved and we introduced the appropriate amendments. I am still firmly convinced that these improvements are an essential aspect of the proper balance in Canada's federalism.

Unfortunately the Prime Minister chose to take an uncompromising and radical attitude. He has systematically refused to consider our coherent and legitimate propositions. And so did the Premier of Quebec. What is worse still is that by rejecting the Supreme Court ruling on Bill 101 last December, the Premier of Quebec struck a hard blow against the spirit of national reconciliation.

It seems clear to me that by endorsing the concept of a distinct society in Quebec we as Members acknowledge, in the regulations and facts alike, the role and status of Quebec's Francophone majority. In the same breath, and just as clearly and as explicitely, we acknowledge the role and status of the Anglophone minority in that province. It is the fact that these two communities are jointly and solidly bound which makes Quebec distinct. My interpretation of a distinct society has been re-affirmed by the Supreme Court ruling. The Supreme Court confirmed that approach. In an enlightened and concisely drafted ruling the Court expressed the view that the language of each of the two Quebec communities ought to be reflected in the linguistic fabric of the province.

Quebec must protect, Quebec must promote the French language. Yes, that principle is absolutely essential. French must be mandatory and have priority and supremacy everywhere. There can be no exception. French must be the language of work in Quebec, at the office, in the plant and in the boardroom as well.

That is the most convincing and effective instrument to make everybody and particularly new immigrants learn French and then blend easily with Quebec's Francophone majority. The Government of Quebec has laws and regulations to preserve Quebec's identity and promote the French language. That too has been confirmed by the Supreme Court.

The federal Government has tangible means to promote French throughout the country. I would therefore urge both governments, the Prime Minister of Canada and the Premier of Quebec, to take every means available to them to make French the language which all Quebecers will spontaneously use in their day to day activities. Still, it seems just as clear to me that, in Quebec as elsewhere, respect must be shown for the minorities' freedom of expression.

Well, by using the notwithstanding clause to deny the rights of Anglophone Quebecers, Mr. Bourassa not only violated the Canadian Charter of Rights and Freedoms, but also his own Quebec Charter of Rights. Mr. Bourassa himself admitted it during a press conference held on March 14 when he stated, and I quote: "It is the first time in history of this province that a Quebec Premier did not hesitate to deny individual freedoms to protect and defend the French language.

• (1610)

[*English*]

Mr. Bourassa's decision to allow Quebec's anglophone minority to use its language on indoor signs only, not even everywhere, is a superficial response to a complex question. It is a response not contemplated or permitted within the parameters of the Supreme Court judgment. It is a response which is neither good for Quebec nor good for Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Every Member of the House from all sides will know that I said the same thing in the same terms when the Premier of Saskatchewan and the Premier of Alberta in turn refused to recognize the full impact of Supreme Court of Canada decisions. I said it was bad for Canada then. It is bad for Canada now. They have the same duty to protect French minority linguistic rights in their provinces that the Province of Quebec has reciprocally in Quebec.

By his silence and his inaction, the Prime Minister of Canada is an accomplice to a direct attack on the basic fundamental rights of the Quebec anglophone minority. In December I pressed him to come out strongly. You can recall the whole week of the second week of the trade debate, day after day in Question Period this Party pressed the Prime Minister for a firm position on Quebec's reaction to the Supreme Court decision and Bill 178. Because he gave us no reaction, contrast it with what he wrote a few months earlier to Premier Devine of Saskatchewan when the Supreme Court handed down its decision on the Saskatchewan language rights case. I quote the Prime Minister's letter to Premier Devine:

> In its judgment, the Court observed that language rights are rooted in a deeply sensitive Canadian reality and are reflected in the Canadian Charter of Rights and Freedoms, which establishes among our fundamental constitutional values the acknowledgement of English and French as the official languages of this country. Thus I know you will share my view that the issues raised in the Supreme Court decision go well beyond the borders of Saskatchewan. They have implications for all provinces. Indeed, they go to the essence of the Canadian Federation.

That same letter should have been sent to Premier Bourassa in the same terms.

What did the Prime Minister say about Quebec Law 178? Nothing. What did he do about the Quebec law? Nothing. I know that I have heard in certain quarters people ask: "What are you worried about? It is just commercial signs". The Supreme Court of Canada was quite clear. Commercial signs form part of the fundamental right of free expression, and liberty of expression is part of the most essential character of liberty in this country. There is no way that any Government can duck that implication by saying it is just a matter of commercial signs.

Rights are rights, as Clifford Lincoln said in the l'*Assemblée Nationale* the day he resigned from the Quebec Cabinet. I do not know whether there has ever been in any forum in this country in recent years a better speech than that. This is what he said:

> Rights are rights. There is no such thing as inside rights and outside rights. No such a thing as rights for the tall and rights for the short. No such a thing as rights for the front and rights for the back, or rights for the east and rights for the west. Rights are links in a chain of fundamental value that binds all individuals in a society that must, to be credible, be just and fair.

[*Translation*]

Well, by using the notwithstanding clause to curtail the rights of the minority, Mr. Bourassa sent out a terrible message of intolerance. How did the Prime Minister of Canada respond, the Prime Minister whose mandate is to protect, promote, develop and saveguard our national unity? He decided to pit regions against regions. He said something in one place while his ministers said something entirely different elsewhere. Moreover, he made all sorts of statements while disregarding the true facts. He simply continued what he had done during the election campaign, Mr. Speaker. For days and weeks on end, the Conservative Leader proclaimed everywhere in Quebec that I was going to tear up the Meech Lake Accord. Well, everyone knew, including the Prime Minister, that I have always supported this Accord against hell and high water from the very beginning. In spite of the enormous difficulties I faced as a political leader because of this position, I never changed my mind, whatever the price I had to pay. Through his despicable behaviour, the Prime Minister was guilty of the worst kind of petty politics which has no place in such an important debate for the unity and future of our country.

Here is another example of his treachery. When the Supreme Court of Canada handed down its decision on Bill 101, the Prime Minister of Canada stated, and I quote:

> The notwithstanding clause is inconsistent with the Charter of Rights and Freedoms.

That is clear. Meanwhile, the Hon. Member for Lac-Saint-Jean (Mr. Bouchard), the then Secretary of State, contended that the use of the notwithstanding clause was, in his own words, "absolutely essential".

Well, the main responsibility of the Secretary of State of Canada is to protect minorities wherever they are in this country. What an outrage! A Secretary of State directly associated with the violation of rights of both our minorities!

Again, the Prime Minister kept quiet. Not a word, not a rebuttal. Later, when we wanted to question the Secretary of State himself, he did not even show up in the House. He simply behaved in a weak and cowardly manner, preferring to hide not to have to account for his action. He tried to use the same strategy for a while yesterday. Finally, I told one of his colleagues: Canada does not operate under a presidential system but a parliamentary system. The Ministers are not here simply to make statements but also to listen. That is important.

That our Prime Minister should have done nothing is all together unacceptable. He should have corrected this situation as soon as possible. Even today, we still do not know the real position of the Government on this issue in spite of the ambiguous rhetoric used in the Speech from the Throne. The fact is, the Prime Minister has absolutely no intention of enforcing the Canadian Charter of Rights and Freedoms. So far, he has had all the time in the world and every opportunity to delete the notwithstanding clause from the Constitution. That is a proposition we had made ourselves and which was endorsed at our November 1986 Convention, but the Prime Minister would not even lift a finger. He never raised this issue with his counterparts during the Meech Lake negociations. Mr. Bourassa's offensive on the language issue, concealed with the silent support of the Prime Minister of Canada, triggered a strong reaction throughout the country.

With every passing day, those of us who have supported and still support the concept of Meech Lake meet with growing hostility towards the Accord. And this attitude contrasts with the very nature of this country and its citizens, since Canadians are first and foremost a tolerant people with an inborn sense of justice and equity. This also applies to Quebec Anglophones, whom I have had the privilege and honour of representing for many years in this House.

But, Mr. Speaker, the Anglophones from Quebec also want to protect and to promote the French language and culture. They have chosen to stay in Quebec. They are willing to work and live in French. They want to contribute to the development of the province of Quebec.

There is no need to suppress all the other languages to ensure the influential development of the French language. The vast majority of Quebecers, Francophones as well as Anglophones, show goodwill and an immense potential and a profound desire for cooperation.

Consequently, these feelings must be developed, this goodwill must be built upon.

• (1620)

[*English*]

While this House was not sitting, I had the opportunity to travel across Canada to over half the provinces. I found the mood of the country sour. The Meech Lake Accord is fragile. Quebec's language legislation has revived old feelings of mistrust. The repercussions of the trade deal are starting to be felt in the loss of sovereignty, the unprecedented spate of mergers and takeovers and the growth of economic concentration of power. The Government's high interest rate policy is causing hesitation and hardship. The Minister of Finance has vowed to break election promises. The Government is not enjoying a honeymoon. This Government has already dissipated the good will of Canadians.

We are a tolerant and hard working people. Generally speaking, we are receptive to the needs of others. We are willing to make sacrifices, but for us Canadians, one word is key to our response, and it is "fairness". The solution has to be fair and it has to be seen to be fair.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This Government has pitted region against region, favouring the wealthy and large corporate interests, leaving lower and middle class income Canadians to their own resources. This Government has demonstrated a meanness of spirit, a callous disregard for so many Canadians.

The sole value that this Government has promoted since 1984 has been money and profits and the glory of the free market. The Conservative Party and the Prime Minister see Canada as little more than a mini version of the United States. They ignore the historical, geographical and cultural differences which make us unique.

The Americans were born of revolution. We were created by the joining of the British and French traditions. Their constitution calls for life, liberty and the pursuit of happiness. Ours calls for peace, order and good Government.

The American frontier has been closed for almost a century. Ours remains open. Our northern frontier is a vital symbol for us. The Americans are a giant melting pot. We are a cultural mosaic. They are unilingual. We enjoy two official languages. Ours is a parliamentary tradition. Theirs is a presidential system with the separation of powers.

We as Canadians are more influenced than any other nation on earth except perhaps the Russians by our geography, by our environment, by our vast expanse of wilderness. Americans put their faith in market forces. We put our faith in the goal of fairness and sharing, and we believe that those goals are better met with a mixed economy.

I believe that over the coming years, as Canadians, we will need to look to ourselves and to our own traditions to respond to the challenges we are going to face. This Government has not made it easier for us, because while we admire our American friends, we do not want to become American. With respect, American answers are not necessarily Canadian answers.

People from across Canada tell me that no matter how they voted, somehow they rediscovered a sense of Canadianism in themselves, that in the election, they had a very difficult decision to make: Was this good for us as a country, was this good for us as Canadians.

I believe that as Canadians, we can and will rediscover the sense of our own identity which defines us as a nation. I can assure you, Mr. Speaker, that we in this Party intend to speak out loudly and often in this Parliament to encourage and promote that rediscovery of our identity.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Our agenda for the future includes the close monitoring of the trade deal, especially on the subsidy negotiations, to protect what is left of our sovereignty. Our agenda includes a strategic plan for our economy, a plan which incorporates the need for training and retraining for young people and for those older workers who have been displaced by new technology, a plan which has a national apprenticeship program as a central feature and reflects our firm commitment to education as a key to individual growth, to economic prosperity and to our ability to compete, a plan which recognizes and encourages the research and the development which are critical to our growth and expansion, a plan which will encourage our industries to widen their range of trade into horizons beyond this continent into the Pacific Rim, Europe and the Third World.

Our agenda will also reflect our environmental consciousness as Canadians. A concept of sustainable development must indeed guide our economic and political decision making not only here in Canada but around the world. Our very lives and health depend on it.

The march toward real social justice must not only continue, it must be accelerated. We must forge a new social consensus which will reverse the trend under this Government of increasing the gap between rich and poor, and the fact that the fastest growing group of poor is children is a sad commentary on our failure to come to grips with the reality of poverty in our country.

We must reach our goal of full equality between men and women in all areas of our society starting with the workplace. We must once and for all recognize the legitimate aspirations, the historic aspirations, the inherent rights of the native peoples of this country and move toward self-government.

Every Canadian in every part of Canada must be given an equal chance to participate fully in our country. We must convince even the most sceptical that social justice is not only fair, it is good business. The rights of the individual, for a Liberal, must remain paramount.

We must also, all of us, do our best to rekindle the bonds between our two linguistic communities, to encourage and revive the spirit of harmony and tolerance which is lacking today.

As Canadians, we must do our part to encourage the continued improvement of relations between the superpowers. The recent initiatives on disarmament are very encouraging. There are still, however, numerous regional conflicts, regional problems, around the world claiming, thousands of innocent lives, and Canadians must reclaim our leadership role in the search for peace.

I am confident that the values on which this country was built can survive. It will take great effort, more effort, to realize our vision for our country in view of the unprecedented challenges I have recited. We in this Party are committed to meeting those challenges. We will continue to fight for a more generous, fair and sovereign Canada. It is for this reason that I move, seconded by the Deputy Leader of the Opposition, the Hon. Member for Windsor West (Mr. Gray), that the following words be added to the Address:

That this House regrets that Your Excellency's advisors continue to show indifference toward the economic and social well-being of lower and middle-income Canadians and contempt for Canadian democratic institutions by dishonouring commitments to the Canadian people with regard to the implementation of the Canada-U.S. trade deal, by abandoning Canadian farm, fisheries and forest workers, by ignoring the dangerous acceleration of concentration of corporate power, by refusing to act properly and firmly to assure public ccess to and the safety of the Canadian transportation system, by abdicating responsibility for health care, housing and senior citizens, by failing to protect the rights of minorities across Canada, by deserting the federal role in research, technological and economic development, and by circumventing the authority of the House of Commons with regard to the expenditure of public moneys and by presenting Parliament a program empty of anything save a clear desire to dismantle the Canadian social safety net while imposing an oppressive and inequitable fiscal regime.

Some Hon. Members: Hear, hear!

• (1630)

Mr. Deputy Speaker: I find the amendment to be in order.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in my view—and I suspect I am by no means unique in this regard—a Speech from the Throne ought to be a call to action to all Canadians to come together and move toward overcoming, if not actually succeeding immediately, our common problems in an equitable fashion. It should be a challenge to a nation to achieve more fairness, a greater sense of justice. It should be clear and balanced in its economics and noble in its goals.

Instead of doing this, the Government has given us a Throne Speech aimed at benefiting only one part of the Canadian community to the detriment of Canadians in all the rest of the country.

I say—and I want to make this clear in my speech as I continue this afternoon—that the Government may well have had, as it did, the organized and financial support of the business community in the election that took place last fall. But it is the people in this country who actually did the voting—including those who voted for the Conservative Party—such as nurses, fishermen, miners, loggers, steel workers, bank clerks, and housewives.

The Government we now have that has produced this Throne Speech was elected therefore by all the people. A government elected by all the people must serve the interests of all the people and not just the minority of the privileged and the powerful.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Just as after the 1984 election, so too this time the Government is producing a hidden agenda. After 1984 we got the trade deal. As all Canadians know, the trade deal was not discussed at all in the 1984 campaign. And during the 1988 election we had promises not only by the Prime Minister of Canada (Mr. Mulroney) but by candidates who are now elected as Members of Parliament for the Conservative Party, promises on economic growth, on regional development and on tax fairness.

Now we are getting a policy of slashing, cut-backs and tax increases affecting ordinary Canadians in every part of our land. Instead of inspiring Canadians with a commanding call to work for justice, this Throne Speech will do just the opposite. It will remind Canadians of what the Conservative pollsters told them before the last election, something which they have always suspected about the Conservatives: Theirs is a Party where policies and programs are not aimed at benefiting the majority. The Conservative Government is one that carries out all its objectives in the interests of all those who already have too much power and influence in our society.

I can tell you now—and the House has already seen it in the past 24 hours—that New Democratic Party Members of Parliament elected in the fall of 1988—having in particular seen this Throne Speech and having heard in the past weeks what is the real agenda of the Conservative Party—have no intention of sitting back and letting it happen. We are going to oppose with determined vigour every Bill that flows out of this Throne Speech and every budget item that will come in the weeks ahead.

Not only have the Conservatives turned up side down what they campaigned on in so many regions of the country in the fall of 1988. They have ignored one of their most crucial commitments which some of us thought at least they might take some steps toward resolving. During the election campaign and after, in the debates that took place here in the House of Commons during the Christmas period, the Government promised—in terms of the few negative consequences, which it acknowledged might flow from the great trade deal in terms of certain sectors of the economy—that it would produce a compensatory program to deal with the men and women who will be laid off in certain sectors and that it would deal with the communities so affected.

• (1640)

The Prime Minister, as is his wont, characterizes the approach of the Government in terms of such words as "generous" and "massive". "Massive adjustment program" and "a generous program" were also used. Then, with typical understatement, the Prime Minister said that it would be "the finest program" that exists anywhere in the world in terms of aiding the men and women who would have inflicted upon them, as a consequence of a deal against which most Canadians voted, an economic program that forced them out of a job. We now know that the Government has no intention of doing that.

[*Translation*]

Instead of keeping its promises, the Government is examining the totally inadequate recommendations made by the Grandpré Commission. Before and during the election, business lobbyists launched an aggressive campaign to promote free trade with the Americans and support the Conservative Party. The interests of Canadian workers have been ignored so that the Government can meet the agenda set by his friends in the business world.

[*English*]

Since the election we have seen coming into being what clearly members of the business community had in mind when they gave support to the Conservatives in that election, and specifically for the trade deal.

In the period leading up to the Throne Speech, from speeches, from selected press releases of Ministers of the Crown, and from public comments and statements made by representatives of the business community all across the land, we have seen that the Conservatives and the business community together have one narrowly focused agenda. What they have done is to focus solely on substantial cuts to government spending and on their joint desire to impose a massive regressive new sales tax on the people of Canada. They are not going to get away with either one.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I wish to spend a minute to show that this is not simply rhetoric or a predetermined attitude that we have as a social democratic party that these results would inevitably have occurred. Sometimes we are surprised. It would have been nice to have been surprised and not to have seen the co-ordinated attack on the people of Canada—because that is the way I wish to put it—by the business lobby and the Conservative Government in recent weeks.

The Business Council on National Issues, the Canadian Manufacturers' Association, the C.D. Howe Institute, and the Canadian Chamber of Commerce. All have had one message in their submissions to the Government in recent weeks, and in their calculated release of this information to the public of Canada in the period leading up to the Throne Speech. The message was clear: There had to be cut-backs in the public sector in general and on social programs in particular.

Members of the business community would like to convince the people of Canada that their agenda is somewhat different from that. They would like us to believe that what they are really concerned about, and exclusively concerned about, is the deficit. I do not believe for a minute that this is the case. I believe that some of them do have a concern with the deficit, and that is their priority. It is not ours.

However, there should be no illusion in our type of society—whether it is here in Canada, in western Europe, or in the United States of America—that there is an ongoing battle of power in society between those who already have substantial amounts in our economic system and the rest of the general population. That battle was being openly waged prior to the Throne Speech, and the business community saw, as a perfect instrument for gaining power, maintaining it, and using it to advantage, the Conservative Party of Canada.

If members of the business community were allegedly only concerned about the deficit, why did they not make some different proposals from the ones that they did? Why is it that they only focused on social programs and the need, to use their terms, for a "reformed" sales tax? Sales tax is the most regressive form of taxation in any society. Did members of those business groups that I have listed come forward and say: "Let us put an end to all those economically ineffective but lucrative programs that benefit us?"

Some Hon. Members: No, no!

Mr. Broadbent: That would have saved some drain on the deficit. However, they did not do that. Did they come forward and propose a minimum tax on all corporations that are profitable? This tax already exists not only in the United States of America, but also in many other industrial countries in the world? Did they do that?

Some Hon. Members: No, No!

Mr. Broadbent: The absence of such a minimum tax in Canada is also a drain on the deficit. If they were really concerned about the deficit, why did they not propose such a tax?

As my colleague, has just said, did the business community come forward and say: "My goodness, there are over $30 billion in deferred taxes out there? This is shocking. What a drain on the deficit that is. This must be stopped." Collecting such taxes would help bring down the deficit that the business community is allegedly concerned about. But no, Mr. Speaker, they did not say a word about the deferred taxes.

That is the priority of members of the business community. They are not the politicians, and that is their right in a free society. However, we should not have any illusions about what they are up to, and the net affects of such a policy. The people I hold responsible are not the private citizens in the business community. I hold responsible the Conservative politicians who form the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The business community and the Minister of Finance (Mr. Wilson) have not talked about these drains on the deficit, or about these overwhelmingly ineffective economic devices that are remarkably advantageous to a certain group and, from the point of view of equity, should be radically reformed. The Minister of Finance and the business community did not talk about these at all. All they talked about was the need to have cut-backs in social programs, such as the unemployment insurance scheme or such as putting an end to universality of family allowances and cutting regional programs that are absolutely essential to average and poor families in Canada.

I remind the Conservatives who were elected that it is the average families and poor families who make up the majority of Canadians, and just once the Government should listen to a majority instead of a minority.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Yesterday I got up out of bed and turned on the CBC. I believe I was listening to a NABET announcer, however I am not sure. I heard the news yesterday morning. I heard that wonderful voice of the Minister of Finance talking from Washington, which is singularly appropriate. Michael has a tough time deciding whether he is in Ottawa or Washington. It does not make a lot of difference to him. What he was saying surprised me. One of the things about the Minister of Finance, and I will be frank, is that he is normally straightforward. If he had written the Throne Speech, at least we would have got the goods straight instead of all this malarkey. We will get it straight—even if we do not like it—when we see the Budget in a few weeks.

The Minister of Finance stated that he could accept a levelling off, a turning down of the economy at this time. That is alarming, Mr. Speaker, because his argument was that the economy is overheated and as Minister of Finance he would not be unhappy to see some cooling off. We in the New Democratic Party say just the opposite at this time. Whatever Michael Wilson may think, most parts of this country have not fully recovered from the recession that began in the early 1980s. We do not say that it is time to turn down the economy. We still need economic growth in this country.

• (1650)

Some Hon. Members: Hear, hear!

Mr. Broadbent: At a time when we have more than a million men and women unemployed, it is totally irresponsible for a Minister of Finance to say he can willingly accept a downturn in the economy. We need an economic policy of growth that puts its emphasis on regional development and a tax fairness phased in over the next few years whose ultimate goal is not virtual full employment in only one part of Canada but virtual full employment from coast to coast.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We believe, as has been achieved elsewhere in this world by social democratic Governments, that we can have an approach to the economy which does not accept that we must have a trade off between unemployment and inflation. We believe that if we have the right mix of policies, of taxes and interest rates, of getting the private sector and the public sector to work together, we could achieve the goals I have just alluded to.

[*Translation*]

The growing inequity in our taxation system is flagrant. Because we have no minimum income tax for profitable corporations, the Treasury loses nearly $1 billion a year. Because large profitable corporations do not pay their fair share of income tax, Canadian families are paying more than their share.

Instead of eliminating this inequity, the Conservatives expect to squeeze billions more out of Canadian families by introducing their new regressive sales tax. Year after year, the Auditor General points out that corporations owe billions of dollars in differed income tax. The total amount is now over $30 billion, most of which will never be paid.

The speech from the Throne contains no indication that the next Budget will oblige large corporations to pay their share.

Mr. Speaker, there are countries where corporations do pay their share, and it is high time corporations here in Canada did as well.

Mr. Speaker, to promote economic growth, it is generally desirable to promote competition. The Conservatives often talk about the importance of being competitive. However, Canada has the highest rate of corporate concentration among industrialized countries. Our economy is becoming increasingly concentrated. Nine families own 46 per cent of the total share-value of the 300 most important companies quoted on the Toronto Stock Exchange.

Recently, Canadian consumers and Canadian workers who were directly affected could do nothing about the purchase of Wardair by Canadian, the Molson and Carling merger, Imperial Oil's purchase of Texaco Canada and the takeover of Consolidated Bathurst by a Chicago company. Because of the investment interest deduction, these recent mergers will cost the Treasury millions of dollars.

Instead of making decisions to remedy this situation, the minister responsible gave his blessing. Instead of changing the tax system that encourages this process, the Conservatives want to cut the budget for social programs.

[*English*]

What about interest rates? Interest rates stand today in the neighbourhood of 13 per cent. As our critic for financial matters pointed out in the House yesterday, real interest rates are already as high as they were at the highest peak during the Liberal's period in office at the beginning of the 1980s. At that time, the present Secretary of State for External Affairs (Mr. Clark) and the present Minister of Finance when they were in opposition said that this was an horrendous and unacceptable situation. It was unacceptable then with a Liberal Government, and it is unacceptable now with a Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Such interest rates are terrible for small businesses, bad for men and women and families who want to buy homes or renew mortgages, terrible for farmers across Canada, particularly those on the Prairies where in the last few years almost nothing has gone in the right direction. Now these groups are being hit with record levels of interest rates once again.

A Government preoccupied with the issue of the deficit is well aware that for each percentage point rise in the interest rate, debt charges to the people of Canada increase by $1.5 billion. The difference in the actual interest rate and the rate projected by the Government in its 1988 Budget, if sustained for one year alone, will add a whopping $7.9 billion to the deficit for which the people of Canada will have to pay.

The Minister of Finance was in Washington at a meeting of the G-7. I do not want to pretend that the Canadian Government or any other Government could act in complete isolation from what is going on in the industrial world in terms of interest rate policy. But there is some room for freedom, and we have not exercised that. In terms of our historical relationship between Canada and the United States, we could still have lower interest rates than we now have.

There are so many Conservative Governments now in the industrial world that when the G-7 gets together it is like a meeting of the Albany Club; It is the Conservatives gathered together on a world-wide basis, regrettably with only one or two exceptions. The Government ought to be concerned about the negative effects of high interest rates in the regions outside southern Ontario and southern Quebec.

At the G-7 level, instead of automatically assuming a very conservative ideology on interest rates, there should be a determined effort by Ministers of Finance for all the industrial countries to understand what happened in the early 1980s. At that time, the same industrial countries began to increase interest rates to head off inflation. If we do that long enough, if we put millions of workers out of work, which is exactly what happened in Western Europe and North America, instead of healing a sick economy we kill a patient. This process did curtail inflation, but at untold and unacceptable costs in the life experience of millions of people here in Canada and abroad.

Some Hon. Members: Hear, hear!

• (1700)

Mr. Broadbent: What our Minister of Finance ought to be doing at the G–7 meeting is trying to get the other countries there to understand the lessons from the early 1980s and to make sure that the same errors are not repeated with this lock-step high interest rate policy going into the 1990s.

The Government has been indifferent to the consequences of its economic policy, particularly on the regions of the country. It has been particularly indifferent to the fact that the majority of the provinces have not got back to where they were in the pre–1981 period in terms of unemployment. We in this Party believe—and this goes to the root in so many ways of what it means to be a social democrat—that for the large majority of people, men and women, and clearly it now is with the majority of women in the labour force outside the home, that the major source of human contentment comes from having a job. We cannot remain indifferent to the persistent high unemployment reality. Thus we say to the Government: instead of what it is doing in attacking the Unemployment Insurance Program in this Throne Speech it ought to be attacking unemployment. That is where the problem is.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I am making an argument that if there is the right mix of policies one can deal with inflation, the need for more jobs and the problem of debt. I point out that every time the level of unemployment drops by one percentage point there is added some $2 billion to the Treasury because men and women are paying taxes instead of collecting unemployment insurance and companies, most of them, are also paying taxes.

We in this Party believe that men and women in Atlantic Canada, in northern Ontario and in northern Quebec, in the Prairies and in British Columbia ought to have the human right to get a job for its own sake. If they cannot do that then those of us who have political power are ultimately responsible. We believe it is important for its own right. But I also want to say as a Canadian leading a national Party that this country of ours cannot persist with a kind of two Canada's policy. We cannot persist in this country of ours to accept that there can be almost full employment in central Canada but permanent high levels of unemployment outside central Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is important for its own right but it is also important for something called national unity. If we want to avoid irrational conflict, if we want to promote a sense of the Canadian family, then we have to promote a sense of equality of opportunity for all members of the Canadian family.

In terms of the regional concerns that any national Government of this country ought to have, both before and during the recent election the trade deal as it was discussed by myself and by my colleagues had as one of its core elements a negative impact on regional development policies. I say that because for those of us who believe in a mixed economy, serious regional development policies involve government action. Government action and government subsidies are regarded in that culture to the south of us as being unacceptable. They are not unacceptable to us. We accept them as desirable in principle. If we want to get a certain kind of industry going, perhaps in Alberta or in New Brunswick, because initially it may not be able to compete with southern Ontario, California or some other place, then it has to be given a kick-start to get it under way, as it was built in one part of Canada by a high tariff policy for so many years. To get it under way in certain parts of Canada, we say on principle that government involvement and government intervention are desirable.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Because of the cultural differences between the United States of America and Canada where profoundly different historical patterns have developed, we have said that the trade deal definition of what would constitute a subsidy inevitably would impact negatively on our capacity to have our kind of regional development policy. This was pooh-poohed by the Prime Minister before the election and during the election. It was pooh-poohed by principal spokespersons for the business community when I raised it during the course of the election. We were told not to worry about it.

We have seen the consequence already, after the deal was signed, after we got things in place in this country, after the Conservative Government did the bidding of U.S. interests. What did we see? In Cape Breton we saw the Sydney Steel Corporation being singled out by the United States. Why? It was because it receives government assistance. For the American tradition this is an unacceptable subsidy.

We have seen the same attitudes being expressed in terms of processing our fish in this country for export. For God's sake, what kind of freedom does one have as a nation—which wants to develop its own resources—if it does not retain the right to finish to whatever level of processing a product in its own country before it is

exported? Under this deal now the Americans are taking actions that could completely undermine the tradition that we want to add to in this Party, a tradition of practical and serious regional development policies which do indeed involve government participation with the private sector.

I want to say about this particular aspect of the trade deal that discussions are going on now between Canada and the United States on what constitutes a subsidy, or an appropriate subsidy. I can tell you, Mr. Speaker, that all the members of the New Democratic Party caucus, no matter from where they come, have an interest in Canada as a whole. We are going to do everything we can to assure that at least the traditional Canadian definition of what constitutes an appropriate and acceptable definition of regional development policy will remain in Canada.

On the same issue of regional fairness in this country, some of us were not entirely surprised when in the past 10 days we heard that the Government froze the discussions that were going on with the provinces concerning regional development policy. Suddenly, they all came to a halt. We know why. What the Government is going to do is put a freeze on funds that were traditionally going out in recent years in adequate amounts to the provinces for regional development. We will see the final results of this, of course, when we see the Budget of the Minister of Finance.

The Government's adherence to the simplistic and self-serving big business agenda is also seen very clearly in its response to the problems of VIA Rail. VIA Rail, the passenger aspect of rail transportation in our country, has its equivalents in every successful industrial country in western Europe. It has its equivalent now in the United States, where even the United States has put public capital into Amtrak to make sure it works.

A few years ago the Conservatives blasted the Liberals at the time—and I was amused to hear the Leader of the Opposition (Mr. Turner) say today that the Conservatives are going to be doing some wicked things about VIA Rail. I was here in 1980, and I say to the Leader of the Opposition that it was the Liberals who cut VIA Rail first, not the Conservatives. The present Leader of the Opposition is saying that he was not here.

Mr. Turner (Vancouver Quadra): That is right. You were making a good speech.

Mr. Broadbent: I say to the Leader of the Opposition that if he was not here then, he may not be here in a short period of time either, and the Liberal Party is the Liberal Party. It said one thing when it was in power and another thing after.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to say not only to the Leader of the Opposition, who agrees right now with the position that we are taking on VIA Rail, but to others that this is important. It is important in most regions of Canada including where there are many Conservative seats. I am sure they are following with interest the debate on VIA Rail. It is an essential public service that can be made profitable.

• (1710)

I have had occasion, with my caucus colleagues, to meet representatives of Atlantic Canada today about VIA Rail. I pointed out to them that in my constituency of Oshawa, in the automotive sector for passenger travel, the company called General Motors put $2 billion of investment into one little community. General Motors does not expect to have a return within weeks or within months on that investment. General Motors plans years down the road to get a return on that investment. We say that there is only one group in our society that will make sure that VIA Rail will pay off in the future, and that is the people of Canada. Only the people of Canada through the Government of Canada can put money into VIA Rail to make it exciting and a much better service. It is good now, but the service could be much better, and the people of Canada through the Government of Canada should be doing that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I say to some of the Conservatives here today who may have a bit of interest in this issue that one of the new bits of information I got from listening to people today was to learn Bombardier, a Canadian company, is currently supplying new equipment to Amtrak in the United States. It is not only supplying equipment to make Amtrak better, but it is doing so with subsidies from the Canadian Government through the Export Development Corporation.

Canadian taxpayers are helping Bombardier sell equipment to make Amtrak better for American passengers. I say to the Conservative Government: "If you can subsidize rail service in the United States, why can't you do it even more effectively here in Canada?"

Some Hon. Members: Hear, hear!

Mr. Broadbent: As I said, Mr. Speaker, in a different context instead of derailing VIA Rail, why does the Government not simply sink its nuclear submarine policy?

Some Hon. Members: Hear, hear!

Mr. Broadbent: There are a couple of other priorities that we in this Party believe that this Government should be addressing in a much more serious way which have either been inadequately dealt with or ignored. One of these I want to mention is child care. The policy announced by the Government prior to the last election concerned every person working in the field—man, woman, easterner, westerner, Quebecois.

[*Translation*]

Quebecers or citizens of another region.

[*English*]

Everyone who knew something about child care condemned the program. There was not an expert that I talked to who thought it was effective. It seemed merely to be a politically expedient scheme so the Conservatives could say they were going to do something about child care. It was very regressive, as we pointed out at the time. It was to provide less money for new child care spaces than was already in the works under existing programs.

I had hoped that at least in this area of social policy the Government of Canada would have been responding to the real needs of our people and would have come back and said: "We are going to bring in child care. We are going to produce a child care program that is going to be universally accessible, that is going to be adequate for our children, and that is going to be available at a reasonable cost, at a rate that all people who need it can afford". That is what they should have been doing.

I want to say, in particular as a man, that it is important for future families that child care be available and that it meet the real needs of our children, as they are the ones who are affected by this. The family structure is so profoundly changed from the days when I grew up. At some point one hopes men and women will share the parental burden on an equal basis, but we are kidding ourselves if we do not understand the real problem today. In terms of psychological requirement if I can put it that way, women want to work. Most of them are now outside the home. For culturally induced reasons they have feelings, much more profound than those of us of the male sex, in that they need to look after children.

We should understand that, if we really believe that a woman ought to have a real choice not just an abstract choice to stay at home, which is a desirable and legitimate choice. If a woman really wants to get out and work and feel that her children are going to be adequately looked after, we need an adequate child care program.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, if you look at the Conservative Throne Speech and at all the statements that were made by the Ministers before it was presented, and what surely we are going to be getting from the Minister of Finance when he brings down his Budget, you will see that it means only one thing, that the persistent high levels of unemployment will remain and probably get worse. There will be an increase, not a reduction, in corporate concentration. There will be an exacerbation, not a reduction in regional tension. There will be cuts to social programs like unemployment insurance. There will be more money for the wealthy and less for the poor, greater benefits for large corporations and less for the smaller.

This need not be the case. It must not be the case and it would not be the case if we had a New Democratic Party Government in Canada. I can tell you that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: What we need is imaginative leadership which understands that economic policy must transcend the narrow priorities of one part of the Canadian community. With the right mix of policies, as I have said, on interest rates, on taxes, on investment in the private and public sector, with anti-inflation policies that are directed at certain regions when inflation occurs there, we can build the kind of Canada that would go way beyond the dreams of those who currently hold power in this Parliament.

I want now to say something about the environment, Mr. Speaker.

[*Translation*]

We have inherited one of the most beautiful countries on this planet. Travelling from Newfoundland to Vancouver, from Whitehorse to Quebec City in any season is always very pleasant. For too long we have ravaged the beauty of our country and threatened the heritage of future generations with disappearance.

As the Brundtland Commission has shown, as television reports have illustrated, as all children now know, the problem of the environment, from the forests of Brazil to the ozone layer, is global. The future of the human race depends on concerted, well-chosen international political action. All governments must commit themselves to sustainable economic development and respect for our environment. Yes, the problem is global, but to obtain concrete results, each country must act on its own territory. Otherwise, this noble objective will become another overlooked cliché!

• (1720)

[*English*]

Consider the response of the Government to the oil spill almost two weeks ago and to another one off the west coast of Vancouver Island three months ago. We have seen a Government that has learned all the right clichés.

During the last election campaign I was proud of my Party which had, months before the election, laid out serious proposals on the environment. We were proud to take that to the people of Canada in the fall of 1988. Suddenly the Government, no doubt after it did its polling, found that the people of Canada were light years ahead of it on the environment. It began to talk about the environment during the election. The new Minister has talked about the environment since. Canadians are fed up with talk. They want to see some concrete action from the Government on the question of the environment.

Nothing was so indicative of its seeming opaqueness on the subject as the Minister's reply in the House today. The people of Vancouver Island are still working on a spill that took place three months ago. First, the Minister even refused to answer the question. The Minister of Transport (Mr. Bouchard) acted as if everything was fine, nothing needed to be done and the Government was not responsible for the fiasco three months ago.

We believe there should be a royal commission that could act quickly and thoroughly on this subject. There are problems now, but if we do not take corrective action there will be problems in the future and the Government will be held responsible. In that context, some of the specific proposals I want to put forward now are drafted in such a way that we put legal obligations on the Government rather than depend simply on political will.

[*Translation*]

The Parliament of Canada must take the following action during the next session.

First, pass a charter of environmental rights that would give citizens access to all environmental information and the right to sue governments on environmental matters.

Show that we are as concerned about the environment as we are about property by including in the Criminal Code penalties for serious environmental infractions.

Pass a law requiring Cabinet to make all its economic decisions comply with the principle of sustainable development.

This is absolutely necessary to give real meaning to what the Prime Minister and the Minister of the Environment have said about sustainable development.

Canadian legislation must be clear and override the trade agreement, which fundamentally contradicts the principle of sustainable development.

From now on, the protection of our land, our air, our water and our trees must not be negotiable. That is our policy.

[*English*]

I want to turn now to foreign policy. There has been what can only be described as the most serious absence of leadership by the Government on foreign policy issues. It is either doing nothing, doing it too late, or the Prime Minister is saying one thing while the Secretary of State for External Affairs is saying another.

The Government was the last representative of a country in the western world to recognize that Chairman Arafat had something positive, necessary and long overdue to say in his statements in Algiers and Geneva. The situation in the Middle East is terribly complex. I will not presume to be an expert on it, but some of us have followed it carefully and know that some of the conditions which have to be met include Palestinian rights and the right of Israel to exist. Israel is a good friend of Canada and there is no change in that policy. But it is totally unacceptable to the people of Canada for Canada

to lag so far behind in accepting change when it has taken place in that part of the world.

I said on other occasions that the Prime Minister at one point showed leadership in the Commonwealth on the South African issue. I heard from others who were at the meeting that on one important occasion the Prime Minister took on the Prime Minister of Great Britain in a commendable fashion in the interest of the black majority of South Africa. Again, the Government seems to have taken a fashionable approach to international politics as it has done with other issues.

What seems to have been the policy a few years ago has been dropped by the Government. The leadership that was forthcoming then has been abandoned because the Government has refused to follow through on the Prime Minister's 1985 commitment at the United Nations to produce a comprehensive set of sanctions against South Africa, as we ought to have in place.

Let us turn to East-West relations. Beyond any question, in terms of its ultimate impact on Canada and the world, the relationship between the Soviet Bloc and Western Bloc is by far the most important.

In saying this, I may obviously and clearly be wrong in my judgment, but if one looks at the history of the 20th century, apart from the abomination of the Second World War, two globally significant people in terms of their impact on history have emerged. One of them was Lenin, most of whose consequences I frankly suggest were negative, whatever the aspirations. When Lenin arrived at the Finland station in the early part of this century, history in a global sense began to move in one direction.

The other man of great and world significance who has come on the scene—and we must understand that he is trying to undo so much that has been wrong—is Mr. Gorbachev of the Soviet Union. We should understand that and give support to those remarkable reforms that have been taking place.

I ask all Members of the House, particularly those in the Government of Canada, to think about the changes that have been made in the last three years by this remarkable man and the obviously progressive people with him. Let us consider the unilateral action that has been taken by the Soviet Union, such as on site inspection in the Soviet Union.

I recall talking to Mr. Gorbachev when he was here before he became the head of his Party. The issue of on site inspection in the Soviet Union was discussed. He intimated in conversation that it may happen. It was never accepted before. There is now on site inspection in the Soviet Union.

There is the unilateral withdrawal from Afghanistan, uncensored news reports, the travels of Sakharov and Bonner. There is the permission of critical theatre and printing. There is even an open competition for election, albeit within a one-Party system, but we will watch and see what happens with that.

• (1730)

There have been remarkable changes in that society in the last few years, and I repeat that they were unilateral. I also say on behalf not only of my colleagues, but, I am sure, of progressive and humane people in Canada and all over the world, that they were changes that were overdue and desirable. But what remarkable tenacity and courage must have been required by a number of people in that very different society from ours who launched them. So I am saying, therefore, if these changes are going on in a country that will have a major impact on the world, whether we like it or not, Canada should not be ignoring these initiatives. We should be responding by taking initiatives of our own as a country.

Surely we must understand in the West that if Mr. Gorbachev and what he stands for fails, the situation will not get better, it will get worse, and we will see or could see the return of the Cold War and all that that could mean, first and foremost for the people of the Soviet Union themselves, but also for us in terms of international politics.

This move toward democracy in the Soviet Union is important to men and women in the Soviet Union, important to men and women in the Baltic states, important to the people of East Germany, Poland, Czechoslovakia and Hungary. It is important to men and women all over the world.

We have a role to play. It is a minor role, but it should not be dismissed. We have exercised that role in the past and surely we should be doing it now. I ask on behalf of the people of Canada, where is the Canadian voice?

A current discussion within NATO, for example, has Margaret Thatcher wanting to modernize nuclear weapons. Chancellor Kohl of West Germany is undecided, but the Prime Minister of Norway and the head of the Government in Spain are opposed and are openly saying that they should not be modernized. I say that instead of sitting back and watching the debate take place between Margaret Thatcher on one hand and Mrs. Brundtland on the other, the Prime Minister of Canada should make our position clear, and we should say that we are against the modernization of nuclear weapons.

There are other things that we can do to complement in part what I have said already are the unilateral actions by the Soviet Union. We can get rid of that decision to build nuclear submarines that is economically foolish and irresponsible in terms of world peace. We should say no to that right away. We should also put an end to the tests of air-launched Cruise missiles.

Again, I talked about that particular issue with Mr. Gorbachev when he was in this country, and he was quite candid in what he had to say. If we want to move in a sensible direction there, we should say we will put an end to tests in Canada. And then we could say to the Soviets, who are our northern neighbours: Let us initially have a joint treaty whereby they will not hold any tests and we will not hold any tests, and let us develop verification procedures together, because the Cruise field is complex. Let us try that, and then we could make it the basis, perhaps, of a global test. We are their northern neighbour. We have access. We have a role to play and that would be a constructive initiative. It would be something useful. I again say to the Prime Minister: "Get out and do it".

I also say that we should take seriously, instead of dismissing cynically, what Mr. Gorbachev had to say about the Arctic. We should test him on the seriousness of his proposals by talking about the Kola Peninsula and see just how seriously they are prepared to make changes in that part of the world.

In this context, I want to say that these kinds of steps taken by a Canadian leader ought not to be seen, as is so often suggested by Conservatives, as anti-American. The low level of argumentation that has to be dealt with is almost embarrassing. Anyway, look at Mr. Pearson, a Canadian Prime Minister, not of my Party, obviously. He incurred the wrath of Lyndon Johnson at one time on Vietnam. Pierre Trudeau's disarmament moves annoyed Ronald Reagan. Mr. Diefenbaker, I remember at one time, did the same thing about Bomarc missiles.

I say to our Prime Minister that these Canadians did not do it because they were anti-American or to annoy the Americans. They did it because they were interested in making some realistic Canadian contribution to peace, and they stood up as independent Canadians and understood that the United States is a different country and that we can make our own polices.

I want to conclude my remarks in this vein by saying to the Prime Minister, certainly go to Moscow. Go without illusions, but understand that the Soviet Union has changed. Go there, speak up for freedom, speak up for disarmament, speak up for global peace. Do this and you will have every New Democrat, every Liberal, every Canadian in the country, I am sure, behind you, but go, Mr. Prime Minister, and do those things.

I want to conclude by saying that Governments, in my view, should be acting at home and abroad, in domestic and foreign policy, to promote the confidence and the security of the people of Canada. Now is the time to use the instruments of government to meet the needs of Canadians for jobs, for child care, for safe transportation, for environmental protection, and for regional fairness. Now is the time for lower interest rates, strong regional development programs and corporate tax reform. Now is the time to promote greater fairness and equality within Canada and peace and disarmament in the world at large. Now is the time to do our part, not complacently to leave Canada as it is but to see and achieve what Canada might become.

Having said that, I want to move, seconded by the Hon. Member for Kamloops (Mr. Riis):

> That the amendment be amended by adding the following words: "And specifically regrets the failure of the Government to protect the environment through the criminalization of environmental offences and thorough review of the environmental impact of government initiatives: to establish a national child care program with national objectives of care; to provide a coherent, well-articulated foreign policy for Canada at a time when leadership is required; to put the needs of ordinary Canadians ahead of those of its corporate friends; to make sure that wealthy Canadian corporations and individuals carry their fair share of the tax burden; to provide assistance to workers dislocated by the trade deal and/or corporate restructuring; to meet the needs of Canada's regions; or to commit itself to a policy of full employment for all Canadians; and finally to ameliorate the harm caused to Canadian families and regions through its high interest policy.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I find the subamendment to be in order.

[*Translation*]

In accordance with the agreement reached earlier today, this House now stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 5.41 p.m.

HOUSE OF COMMONS

Thursday, April 6, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the Government in early 1989. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate Standing Committees, a list of which is attached.

* * *

CANADIAN HUMAN RIGHTS COMMISSION

TABLING OF ANNUAL REPORT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, while I am on my feet, pursuant to Section 61 of the Canadian Human Rights Act, I wish to table copies of the 1988 annual report of the Canadian Human Rights Commission.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C–202, an Act to amend the Criminal Code (cattle rustling and range cattle).

He said: Mr. Speaker, I rise to ask leave of the House to introduce a private Member's Bill regarding cattle rustling. In many parts of Canada, hundreds of head of cattle are lost or disappear each year, and the police are well aware that a number of these cattle are lost because of cattle rustlers. While there has been a traditional way of dealing with this problem, it is no longer accepted in our country. This private Member's Bill would at least make the penalties severe enough to hopefully deter people from pursuing this very unscrupulous practice.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

• (1110)

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C–203, an Act to amend the Food and Drugs Act (food irradiation).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Althouse: Mr. Speaker, the purpose of my Bill is to amend the Food and Drugs Act. It would have the effect of placing a moratorium on the irradiation of foods in Canada and on the export of food irradiation equipment.

It would also put into effect a study to look into the whole aspect of food irradiation and would require a report to the House of Commons before any further action takes place on this important topic.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

STANDING COMMITTEES OF THE HOUSE

LISTING OF MEMBERS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been the usual consultations with Members of the Official Opposition and the New Democratic Party. I move:

> That a committee be appointed to prepare and report in accordance with Standing order 104 and 113, lists of Members to compose the Standing, Legislative and Joint Committees of this House; and

Order Paper Questions

That the committee be composed of: Messrs. Boudria, Charest, Cooper, Gauthier, Hawkes, Layton and Murphy.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

RATE OF UNEMPLOYMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition now that the House of Commons is sitting. It has been duly certified by the Clerk of Petitions.

In their petition Canadians have expressed concern with the high unemployment rate in Canada expressing the fact that it is one of the highest unemployment rates of the western industrialized nations and, whereas, unemployment continues to be higher than it was for all but two years between 1946 and 1981 and whereas all Canadians should have the right to meaningful employment, the undersigned, your petitioners humbly pray and call upon Parliament to establish full employment as its first priority.

OBSERVANCE OF SABBATH

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have the pleasure to present a petition on behalf of constituents in my riding of the City of Nepean. This has been approved pursuant to Standing Order 136.

Whereas it is the desire of Christians throughout the world to safeguard the sanctity of the Christian Sabbath, the Lord's Day, and whereas we sincerely believe the only way to achieve the above objective is through uniform legislation at the national level of all Christian countries and whereas as Christians are tolerant and respectful of the legitimate wishes of other faiths, Jewish, Muslim and Hindu to observe the Sabbath, therefore, the undersigned, your petitioners humbly pray and call upon Parliament to consider our concerns regarding the above proposed and hopefully pass Sabbath observance legislation that is fair and just for everyone.

Mr. Speaker: I thank the Hon. Member. Further petitions?

PROCLAMATION OF NON-SMOKER'S HEALTH ACT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is my honour to present a petition from a number of residents of Canada concerning the Non-Smokers Health Bill and the fact that the Government has not proclaimed this Act. The petitioners state that whereas environmental tobacco smoke is injurious to the health of Canadians working in a smoking environment and to Canadians travelling in smoke contaminated common carriers, and whereas in recognition of this Parliament which passed a Non-Smokers Health Act in June, 1988 which provided protection from environmental tobacco smoke to federally regulated workers and travellers, and whereas the Government of Canada has failed to proclaim and enforce this Act, therefore, the undersigned petitioners humbly pray and call upon Parliament to request the Government of Canada to proclaim and enforce the Non-Smokers Health Act.

VIA RAIL SERVICE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I have the honour today to present a petition on behalf of a number of Canadians pursuant to Standing Order 36, which petition has been approved by the Clerk of Petitions.

This is a petition concerning Via Rail. Whereas rail transportation can be an effective and efficient means of public transportation and, whereas passenger rail service has played an important role in the establishment of Canada and the development of a Canadian identity, and whereas subsidies required by rail transit are not out disproportionate to subsidies required for road or air transit and wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to encourage and assist Via Rail to expand its operations and become a more efficient and widely used form of public transportation.

[*Translation*]

REQUEST THAT NUCLEAR SUBMARINE FUNDS GO TO MEDICAL RESEARCH

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, I have petitions to present on behalf of constituents of Hochelaga—Maisonneuve, the South Shore, Bourassa, Laval, Longueuil and Montreal West. All those people are asking the Conservative Government to renounce its commitment to build nuclear-powered submarines and to spend that money instead on health, to help solve problems at the hospital level, as well as on research on AIDS, cancer and other illnesses.

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Peace River): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, April 5, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her speech at the opening of the Session; and the amendment thereto of Mr. Turner, Vancouver Quadra (p. 131) and the amendment to the amendment of Mr. Broadbent (p. 140).

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the people of Canada have again entrusted to the Progressive Conservative Party the leadership of their Government. They have given us a full mandate to govern and we intend to do so firmly, effectively and well on behalf of all Canadians.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This week, as in 1984 and again in 1986, the Speech from the Throne was laid before Parliament and it contained our vision of Canada's future. As before, we have set ourselves a task I think appropriate to the times. Our agenda in the first mandate was ambitious. Canada was at that time feeling the winds of change. It needed a program to channel its energy and chart its course, and that, with the imperfections that result in a democratic institution from governing, is what we tried to do and in large measure I believe that is what we accomplished.

Now in 1989 Canada once more looks to the future and we do so with great anticipation. The Government's vision for this mandate builds on the achievements of the first. It is a big vision for a big country, a challenge to a land of limitless promise.

[*Translation*]

And, as the election made clear, it is a vision shared by Francophones and Anglophones, by men and women, by the first Canadians and by the newest Canadians, by farmers and fishermen, labourers and professionals, by Canadians from all walks of life and all regions who told the Canadian Government: Go right ahead! We support your program for economic recovery and national reconciliation. You did a good job during your first mandate, so let's see you do it again for a second one!

Some Hon. Members: Hear, hear.

Mr. Mulroney: It is a vision of a flourishing land, respected abroad, competitive in commerce, caring and compassionate at home, a land tolerant of differences, conscious of its responsibilities, above all to its natural heritage, and united in the uniqueness of its traditions. It is a vision for a nation that is open to the world and to the opportunities this openess presents. It is a vision for a nation that expects its government to govern, and to be willing to make the difficult decisions that are sometimes necessary. Our nation understands that its continued prosperity is not assured without wisdom in setting public policy. Our potential can be realized if we rely on our strengths, to build and create, and earn what we wish to enjoy.

Our government came to office in September of 1984, following a period of great economic difficulty and internal division that was painful for all Canadians. Federal–Provincial relations were marked by confrontation. The Constitution had been repatriated without the agreement of the government of Quebec. Western provinces deeply resented the government of Canada's unilateral interventions in the energy field. The Atlantic provinces were frustrated with the government's approach to offshore energy management, and with the lack of progress in regional economic development. The economy was weak, with excessively high inflation and unemployment rates.

• (1120)

[*English*]

Perversely, Mr. Speaker, federal Government policies acted as obstacles to economic recovery, both by inhibiting investment and over-regulating the private sector. The federal Government's own fiscal situation represented a fundamental impediment to sustained economic prosperity. In fact, by 1984 the federal deficit was at an unprecedented level and growing at a rate which was unsustainable and would ultimately ruin us.

In these circumstances the Government devoted considerable effort to rebuilding the national and economic foundations of Canada. With regard to the Meech Lake Accord, I salute the leaders of the other political parties in this Chamber for their leadership on the sensitive national issue—the Meech Lake Accord took the first critical steps with regard to restoring Quebec to the constitutional fold.

Destructive energy policies that had ravaged western Canada so unfairly for so long were dismantled, and new energy accords were reached in the West, the North, and the Atlantic region.

New approaches to regional development were implemented and critical resource sectors such as energy and agriculture were assured of greater equity. In fact, Mr. Speaker, I sit next to the Minister of Agriculture—the Minister of other things as well, it all depends on the day—I sit next to a Minister of Agriculture whose Department was responsible, in four years, for increasing aid to farmers in Canada by an amount in excess of 400 per cent. That is a commitment to the farmers of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The degree of Government intervention in the economy was considerably reduced. Crown Corporations, which no longer served a public policy role, were privatized. Corporate and personal income tax systems were reformed in an equitable manner to meet the needs of a modern and competitive economy.

Legislation was passed which improved substantially the economic framework within which individual Canadians and Canadian companies were called on to operate on an individual basis and to become more competitive with their counterparts both in the United States and around the world.

In a large measure, these initiatives resulted in the country's strong economic performance. After years of languishing at the bottom of the heap in terms of productivity gains, since 1985 Canada has made very solid improvements. Last week this did not receive eight column headline attention, but it should have. It is a most significant indicator of the national well-being in terms of our capacity to grow, to sell, and to create jobs. Last week Statistics Canada revealed that in 1988 Canadian labour productivity showed an impressive improvement of 2.9 per cent.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Productivity is a dull, unglamorous thing that does not attract much attention from our friends in the Opposition. All it has to do with is the well-being of Canada and the future of jobs for our youth. If it does not mean much to some, it means a great deal to people on the Government benches.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Productivity is the key to competitiveness and prosperity. It is the key to greater market shares and more jobs. It is the only way our products will be accepted internationally, being sold around the world, and thereby creating jobs at home. They do not buy our products because of the colour of our eyes or the cut of our jib. They buy them if they are of good quality and produced at internationally competitive prices. Productivity growth had been arrested for so long in Canada that our economy was gravely debilitated. All Canadians from all political parties should take pride in the fact that Canada's productivity growth is now coming back because it means better days for Canada, and in particular it means jobs for Canada's youth.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This one example in large measure can make a point: sound management of the economy works out in the end to be better for everyone, business, labour, and consumers alike.

I was interested to listen to the Leader of the Opposition yesterday referring to big business and the Conservative Party. I represent a constituency called Charlevoix, which includes my home town of Baie Comeau. It is populated largely by paper mill workers, people who work in aluminum factories, people who drive cabs and work hard. There are no big businessmen to speak of around. The Conservative candidate in that riding won almost 80 per cent of the vote. That means we are supported by the ordinary Canadians, the people who know what good Government is all about.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Our vision for the future set out in our first two Throne Speeches resulted in the signing and ratification of the Free Trade Agreement with the United States, an agreement which represented a trade policy to be sure, but a little more for our nation because it is a statement about Canada and its people, about their outward, open, competitive view of the world, a world which is increasingly interdependent and in which Canadians want to play a full part.

The Speech from the Throne is about confirming that vision and taking the next steps which flow from that decision to allow Canadians in many important areas of international life to excel and to compete and to win. Building on strengths begins with a sense of realism. No nation can increase investment, build world-class industries and compete with the best, if it is not even paying its own way. We must put our fiscal house in order so that our economy can maintain its expansion.

• (1130)

My colleague, the Minister of Finance (Mr. Wilson), will soon table a Budget that will further that objective. The Government will continue to encourage economic development by promoting conditions which will generate confidence on the part of consumers and investors alike. In the last four years we reversed the trend of run-away Government spending. We reduced the deficit by more than $10 billion. The deficit as a percentage of GDP declined from over 8 per cent to under 5 per cent. The economy has been performing very strongly. Canada's rate of job creation in that period was the highest of the major industrialized nations.

The best social policy in my judgment is a job. With this Government, Canadians have created over 1.4 million new jobs, bringing down unemployment from 11.7 per cent to 7.6 per cent. That is social policy. That is the record of accomplishment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Madam Speaker, since 1984 our Gross Domestic Product has grown in real terms by 4.1 per cent per annum, a performance surpassed only by Japan among the major industrialized countries. This was done by establishing clearly our resolve to stop the build-up of Government on the cuff, to end the process of putting today's programs on our children's charge account for them to pay.

While we have made progress on the deficit, its very size requires renewed commitment by all of us to reduce it still further. When the Leader of the Opposition (Mr. Turner) came back into politics some four or five years ago one of the statements that I think he made during his leadership campaign was with respect to his intention to reduce the federal deficit by 50 per cent, I believe, in five years. So when the Minister of Finance brings in his Budget I know the Leader of the Opposition will be on his feet seconding the motion.

Some Hon. Members: Hear, hear!

Mr. Mulroney: While we have made progress on the deficit, we require renewed commitment. Every significant event in the life of our nation had a beginning, a moment when political decisions were made that set Canada on a course that ultimately would produce important consequences. So it was with the national debt.

At the end of this country's first 100 years of history, in 1967, the national debt—the sum total of all the deficits in our history—totalled only $18 billion. The cost of servicing the debt at that time absorbed 12 cents on every dollar of Government revenues.

Decisions made in the late 1960s and the early 1970s changed the debt flow in Canada from a trickle to a flood. By the end of fiscal year 1984-1985 that sum had risen to almost $200 billion. The cost of servicing the debt then absorbed nearly 32 cents on every dollar of Government revenue, and the Liberal Party had been in office during almost the entire life of that growth of the debt. That is where it began. These are the people who are responsible for the tragedy that befell Canada.

Canada was inexorably being placed in a fiscal strait-jacket. The time bomb cemented into the economy in the 15 years prior to 1984, with a tenfold increase in the national debt, remains undefused and constitutes today the principal obstacle to Canada's economic well-being. Every one knows that it takes more than four years to dig out from under such a mountain of debt built up over a decade and a half. Just servicing these obligations forces us to divert an increasing share of our resources. Because of the commitments of the Leader of the Opposition I know that he will speak to his caucus, united that they are, and that caucus will rise as one and support a program of fiscal prudence in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Speaking of comments in the House of Commons, I listened yesterday with amazement as once again the Leader of the Opposition indicated that he had not lost the election, he had won it. I want to congratulate him today on his victory, surrounded as he is by his Ministers.

Ms. Copps: Gracious you ain't.

Mr. Mulroney: Had it not been, according to the speech of the Leader, for the resources injected into the electoral debate by the supporters of free trade, the Liberal Party would have been victorious.

I have a great deal of respect for the Leader of the Opposition. But look at the contempt that that signifies for the Canadian people. What an insult to their judgment, their intelligence and the very purpose of democratic debate during an election campaign.

Yesterday, again, we witnessed a return to talk about selling out and shutting down and tearing up and all of those other splendid phrases that the Leader of the Opposition used so often and so long. I thought that the people of Canada had shown last November what they thought of these tactics—Canadians do not want empty rhetoric. What they seek from a Government is a consistent, coherent, confident plan of action. That is what the Government brought forward.

Yesterday, the Leader of the Opposition was blaming an awful lot of things on the Free Trade Agreement. He was decrying it again. He was indicating that people voted for the Free Trade Agreement because somebody bought their votes. This is very injurious to ordinary Canadian voters. But I was interested in comments made not last week, but last night by the Hon. Jean Chrétien speaking in Hull. I quote what he said last night as quoted in *Le Journal de Montréal*, an article by Jean Denis Girouard, their distinguished parliamentary correspondent. He says that Mr. Chrétien last night said—

[*Translation*]

> I was proud of Quebecers who showed their enterprise and boldness by supporting free trade during the last election campaign.

Mr. Chrétien says that Quebecers did not vote for free trade because they were bribed or bought but because of their enterprises and boldness, and for once I could not agree more with Jean Chrétien.

[*English*]

Mr. Mulroney: Mr. Speaker, if Mr. Chrétien only got to Hull last night, Mr. Peterson got to Paris. There is a message there somewhere, but I am not sure what it is.

But lo and behold in *The Toronto Star*—and if it is in the *Star* it is accurate—there is a report that states the following. Let me quote:

> At a luncheon hosted yesterday by the Paris Chamber of Commerce, Peterson made a strong plea to liberalize and expand trade between Europe and North America, despite protectionist pressures. . .
>
> Both sides, he said, must take advantage of the Canada–U.S. free trade agreement and the decision by the European Community countries to form a single market in 1992. . .
>
> Meanwhile, Ontario Trade Minister Monte Kwinter who, like Peterson, and was an opponent of the trade deal before it was signed, is telling French investors that the deal provides them with an excellent opportunity to enter the U.S. market from Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As my mother used to say: "You can dress him up, but you can't take him out".

• (1140)

In light of the kinds of comments that were made yesterday, and I don't plan to rebut every one that was made by my right hon. friend, I think it is important that I draw something to his attention, given the fact that he seemed very strongly to be making the case that there had been some kind of a mistake. The voters had made a mistake. The Liberals should have won the election. This is a temporary aberration. I draw to his attention an excellent article by Andrew Cohen that appeared yesterday or the day before that deals briefly with liberalism and it says this—I don't believe he is a supporter of the Conservative Party, but he says:

> It won't show in the figures, but the sharpest increase in cross-border trade since last November's elections is surely in the mutual consolations of grieving Liberals. Though they have been out of power for several years in both Canada and the U.S., it is only now starting to sink in that perhaps this is no mere fluke, an endearing little show of defiance by an electorate that still knows its natural rulers, but is a rather stiff repudiation. . .
>
> The Liberals lunged straight for the moral jugular; their opponents are always not only wrong, but evil or at best complacent.
>
> This is the true source of the decline of modern liberalism.
>
> It no longer stands, as it once did, for the downtrodden. It stands for privilege; for the systematic distortion of economic activity to benefit well organized pressure groups. It is not about summoning the strong to the aid of the weak.
>
> It has become a squalid auction of state favours to the highest political bidder. John Kennedy challenged Americans to "ask what you can do for your country". Liberalism in Canada as in the U.S., invited the powerful to ask what their country could do for them.

There is the difference between liberalism and conservatism today.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Maybe it would be helpful, rather than to do what my right hon. friend did, to take a page from the very thoughtful expression or view by the Member for Laurier—Sainte-Marie (Mr. Malépart) in a number of speeches after the election in which he indicated, well, you know, maybe the other guys didn't steal the election, that maybe there is something that the Liberals should be looking at themselves. Maybe we are not perfect and maybe Canadians and Québecers will look at us again if

we reflect more faithfully the values and traditions in which they believe and we present policy that they can support. I respectfully urge the Leader of the Opposition to talk to his excellent Member of Parliament because I think he might learn a few things for the next campaign.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I look forward to seeing my right hon. friend in the next campaign.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And in fact I know the Leader of the Opposition and I both look forward to seeing the Leader of the NDP in the next campaign because we know the NDP cannot do any better. That is for sure.

Some Hon. Members: Hear, hear!

[*Translation*]

Indeed, Mr. Speaker, money that could go to social and cultural and environmental and defence programs goes instead to pay the mounting interest on the national debt, which this year claims 31 cents of every dollar of government revenue. These payments are completely non-discretionary. They are unfortunately not expenditures we can cut. And, bad as it is, that is not all.

Large deficits contribute to rising interest rates. Business investment becomes more expensive. Many projects are scaled down or delayed as a consequence. Jobs are not created. Prosperity narrows. Every new or renewed mortgage becomes more expensive—as does every family car bought on credit and every student loan. Interest rates are indifferent, even disdainful, of the borrower's ability to pay, of his or her plans or problems, of the benefits the investment could create.

Nothing this Government can do, Mr. Speaker, will help all Canadians and the average Quebec voter more than getting interest rates down. To get interest rates down, we have to get the deficit down.

Canadians know that expenditure restraint is not an end in itself: it is necessary to sustain our prosperity. And I am confident that in the end, Canadians who share our vision of Canada, who believe in the potential of this unsurpassed land, who know that our prosperity depends on our competitiveness, who realize that support for social programs and the arts depends on Canada's economic health, will—I think massively—endorse the program of the Progressive Conservative Government.

Some Hon. Members: Hear, hear.

Mr. Mulroney: The important part of our program is tax reform. Many people may not even know that there is a federal sales tax, but there has been one since 1924. It has been no less pernicious for being invisible. It is a profoundly discriminatory tax—it discriminates against consumers and against Canadian producers. Over time, it has hampered our industries' competitiveness as they take on firms from around the world. And it is unfair in its impact on consumers.

Sales tax reform will be implemented in an equitable and effective way to boost our exports, stimulate investment and provide a secure and reliable source of revenues to sustain the essential government services which define us as a nation. Building an economy that is competitive will fuel our prosperity, safeguard our jobs, underwrite our social programs, finance our cultural and scientific development and give us a seat at the table of international affairs.

[*English*]

We will do this, Mr. Speaker, by doing what Canadians can do extremely well, trading to earn our way in the world. Last year for example we exported 34 per cent of everything we produced. Among the major industrialized countries, only Germany has a more export-oriented economy. In population we rank thirty-first in the world; in trade, seventh. According to GATT, Canada counted for 4 per cent of all the trade in the world, a remarkable figure, a remarkable accomplishment for a nation such as ours. While consolidating our largest and most fruitful trading relationship and implementing the free trade agreement with the United States, we will extend our horizons to GATT, to the success of the Uruguay Round, to our friends in Europe and to the remarkable possibilities that exist for Canada and for all of us in the Asia Pacific region. What we are seeking are fair rules of trade and the elimination of barriers.

Canada's agricultural producers can compete with farmers anywhere if the game is fair. But in the name of international agricultural trade, in that kind of forum, all people cannot compete with their European and American counterparts when trade distorting subsidies ignore market disciplines and threaten to break national budgets. Nor can our fishermen observe prudent fishing regulations and turn a blind eye to predatory fishing

practices outside our 200-mile limit. We will insist on an end to such abuses in all of our international representations. I believe that the Government of Canada, the Parliament of Canada, can make substantial progress on behalf of our fishermen and our farmers across the country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, competitiveness demands initiative, dedication and determination. In the field of science and technology, we believe in channelling our efforts to achieve international leadership through the creation of centres of excellence and through the development of strategic technologies. Competitiveness means we need a sophisticated human resource strategy for the 1990s to deal with the diminishing importance of traditional industries, the rapid growth of the service sector, of a new and complex technology. The unemployment insurance system can play a better role.

• (1150)

We must recognize expanding sectors and prepare workers for the job skills that are going to be progressively in demand. We must together capitalize opportunities in generating incentives to employment and our programs for the unemployed must be made fully consistent with the Charter of Rights and Freedoms. We will continue to promote literacy in education so basic to a competitive society. Competitiveness means as well ensuring that the various regions of this country benefit from the prosperity generated by our trading relationships and by our expanding economy. The Atlantic Canada Opportunities Agency for the Atlantic region, the Western Diversification Office for Manitoba, Saskatchewan, Alberta and British Columbia, FEDNOR for northern Ontario and our programs for Quebec will all have their funding continued for the five-year planning period.

Some Hon. Members: Hear, hear!

[*Translation*]

Competitiveness means extending our programs to encourage native economic development so that our native populations can participate in Canada's economic opportunities.

The Government's emphasis on the environment is an element, too, of our recognition of Canada's increasing exposure to world-wide forces. The ozone layer above that protects the earth from the sun's ultra-violet rays is diminishing. Twenty-two billion tons of carbon dioxide from fossil fuels are being pumped into the world's atmosphere each year. This CO*in2*xx is heating up our climate, with hazards we are only beginning to understand. Moreover, forests which process carbon dioxide are disappearing at a breathtaking rate: Twenty-five million tons of sulphur dioxide fall every year in Canada and the United States in the form of acid rain that is destroying our lakes and rivers, damaging our forests and monuments and threatening our health.

It is well past the time that these issues be not only addressed but resolved. Mr. Speaker, environmental protection, like charity, begins at home. The National Round Table on the Environment and the Economy has been established to provide leadership to meet the environmental challenges of economic growth.

I have personally modified Cabinet committee processes and tasked the Minister of the Environment with ensuring that environmental considerations are fully taken into account before Government acts or supports any initiative financially.

The Federal Government and the provinces are cutting Canada's own acid rain emissions in half. We will not be satisfied until we see parallel action in the United States and until we have an accord which guarantees that the requisite reductions will be made and provides Canada with the added security of an enforceable international document. We have committed ourselves to end within 10 years or sooner if possible the use of CFCs, which destroy the ozone layer.

Abroad, we will continue to work diligently within the United Nations to make sustainable development a reality.

[*English*]

We will play, Mr. Speaker, our full part as the nations of the world come to grips, or try to, with the infinite complexity of climatic change. We will continue to provide leadership within the international community in the world-wide effort to develop international laws and legal principles to protect the atmosphere, the common heritage of all mankind.

The very distinguished columnist in the *New York Times*, Flora Lewis, recently wrote:

> The environment is being considered as a global issue. States proposed at a ground-breaking conference in The Hague this month to submit voluntarily to international policing and to make sure their citizens comply with agreed rules. There are profound shifts, in the perceptions of the world coming unevenly in spasmodic verses but with a momentum reaching the stage of destiny.

Some initially criticized the Hague Conference. Some initially criticized Canada's participation. But we went, we assumed our responsibilities, we participated actively, and I think that Canada, once again, contributed to an impressive end result.

Some Hon. Members: Hear, hear!

While realizing this sustainable development in building a competitive society, we must not, however, abandon compassion as a cornerstone of this Government's social policy. We must never forget that the purpose of ending the crushing burden of debt and of generating new national wealth through competitiveness and trade is not for the pleasure of doing it in the abstract; it is being done to enable us to provide new support for the family, for the elderly, particularly those with lower incomes that is possible in a society that succeeds.

I think this is a fundamental difference between our Party and others in the House of Commons. Only a government that brings about strong economic growth, new wealth and new prosperity, that creates a deeper pool of prosperity, only that kind of government and that kind of country can guarantee new social programs for our citizens.

And so a strong economy ensures the means to support those social benefits which we associate with our very identity as Canadians.

We remain committed to a national child care program. We will address the problems of family violence and sexual abuse against children. The curse of drugs must not go unanswered in our society.

In September of 1986 in Vancouver, I stated that the illegal use of drugs in Canada had become an epidemic which undermines our economic as well as our social fabric. That view, Mr. Speaker, was greeted with some considerable scepticism in some interesting quarters.

Last week, in an editorial entitled "A Tragic Epidemic", Kevin Doyle, the editor of *Maclean's* magazine, described the Canadian reality in these words, and I quote:

> In the not so distant past, heroin and cocaine were drugs that destroyed lives in Manhatten, Miami or London. Drug use was only read about in Vancouver, Toronto, Montreal or Halifax. Sometimes police seized illegal drugs at a Canadian airport, but it was all a very remote affair. No longer.
>
> Now it would be difficult to find a Canadian at any level of society or in any part of the country who has not been touched in some way by the effects of the stunningly rapid spread of drug abuse, armed robberies to get money to support the habit and violence among gangs who supply the deadly material.

This is a serious problem for all Canadians. It is starting to attack the foundations of Canada's families. It is debilitating Canada's youth. I thought, in 1986, it was an epidemic and I said so, I believe it is worse today and all Governments must cooperate with police forces, with educational institutions to deal effectively with this great challenge to our national well–being.

[*Translation*]

We have never sacrificed care and compassion in our national attitudes and programs while developing our potential to create the wealth to support a standard of social benefits which is the envy of many countries. We are highly regarded in the world. Others see us as one of the most prosperous, humane and promising nations on earth. Our vast geographic inheritance, our history, our two official languages, our native peoples and enterprising immigrants, all combine to create a society of civility and tolerance. A unique identity about which we have every reason to be proud. But our job is not done, far from it!

• (1200)

[*English*]

The only thing, Mr. Speaker, that I really took exception to in the speech by the Leader of the Opposition yesterday were his comments about language. He made some brave statements and I have to answer them, and I will. He made some brave statements about his devotion to high principles and then he proceeded to fabricate the whole cloth, my own position on the subject of the use by the Government of Quebec of Section 33 of the Constitution Act 1982, to override the Charter of Rights and Freedoms.

He is quoted in this way: "By his silence, by his inaction, the Prime Minister of Canada is an accomplice to a direct attack on the rights of the Anglophone minority in Quebec". That is what the Leader of the Opposition said.

Another quote: "And what did the Prime Minister say about Quebec law 178? Nothing. What did he do about the Quebec law? Nothing."

These were statements by the Leader of the Opposition about an event that took place in mid and late December in the House of Commons, and the Leader of the NDP was here with me and we both spoke to this issue, and he knows and every other Member of the House knows that that statement by the Leader of the

Opposition is false in its entirety and unworthy of Her Majesty's Loyal Opposition.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: The fact is, Mr. Speaker, that I was prompt, and a lot more prompt than the Leader of the Opposition, I might add, in making plain my rejection of this action by the Government of Quebec.

On December 19, which was a Monday, there was an exchange and the Member for Notre-Dame-de-Grâce (Mr. Allmand), in *Hansard*, said in a question to me. He said: "Is it not true that the federal Government has the responsibility to communicate with the Government of Quebec concerning the measures proposed by Mr. Bourassa yesterday?"

And I responded: "I already communicated with Mr. Bourassa yesterday, and I told him the position of my Government and of this House on such a matter. I expressed the desire, the wish that the Government of Quebec find a formula, as the Supreme Court suggested, whereby the preponderance of French at all times in Quebec would be assured together with the respective minorities and their freedom of expression, as the Supreme Court wanted and as the Quebec Charter wanted as well".

The Hon. Member for Notre-Dame-de-Grâce then responded on the second question in regard to my answer. He said: "The Prime Minister seems to have said that he did ask the Prime Minister of Quebec to consider implementing legislation that would respect the judgment of the Supreme Court".

The Member for Shefford then came on: "The Prime Minister said that he expects the Quebec Government to abide by the provisions of the Supreme Court ruling". And I answered that of course we do. The Member for Shefford asked again: "Does the Prime Minister agree with the Supreme Court position concerning the primacy of French inside and outside"? Of course we approve.

And I went on: "I expressed the wish on behalf of all parliamentarians, I think, that both would be reconciled in a Bill whose effect would be to respect fully the French dimension of this Quebec reality, while at the same time respecting the basic values in the Québec Charter of Rights and Freedoms". That was on December 19.

Mr. Turner (Vancouver Quadra): Before the Bill came in.

Mr. Mulroney: Before the Bill came in.

Mr. Turner (Vancouver Quadra): That is right.

Mr. Mulroney: On the 20th in response to questions from the Member for Ottawa—Vanier, I said: "Mr. Speaker, my hon. friend's question is troubling, because according to answers given yesterday and published in *Le Devoir*, and I quote: "Mrs. Finestone congratulated Brian Mulroney for defending minority rights yesterday. Mr. Allmand concluded by saying that he was satisfied with the Prime Minister's statement that the decision of the court and the two leaders, federal and provincial should be respected". This is what was stated in the House of Commons. Now, perhaps my right hon. friend will want to rise at an appropriate time and apologize for his comment. While this debate was going on and while we were defending minority rights in the Province of Quebec, as elsewhere—and there may have been reasons for it—the Right Hon. Leader of the Opposition (Mr. Turner) was not here. I was here defending minority rights, as I always am.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Now we get to December 21, three days later, and in comes the Leader of the Opposition. His question is:

> Does the Prime Minister approve of the legislation introduced by Premier Bourassa applying the so-called inside-outside formula which excludes the use of non-French signs outside business establishments? Does he think that the Bill meets the test of the Supreme Court of Canada judgment?

My response is:

> Mr. Speaker, in the last two days I have indicated that I neither approve of it nor do I believe that it meets the test of what the Supreme Court said. and I indicated this in response to the Member for Notre-Dame-de-Grâce and other Members of the Leader of the Opposition's Party. . .
>
> Anything less than that, of course, is disappointing to us. I have conveyed this to the House time and time again. I have responded to Members of the Leader's Party. In respect of the protection of minority rights in the Province of Quebec both the Member for Mount Royal (Mrs. Finestone) and the Member for Notre-Dame-de Grâce complimented me and congratulated the Government on its stand on Monday and Tuesday.

I know the Member for Notre-Dame-de-Grâce to be a man of honour and he complimented me for my stand in defending minority rights in December. I know he will rise in his place and do no less today.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, I know that my right hon. friend, will, upon reflection, want to correct that very serious mistake and the fact that he made it about my participation in this debate on this very sensitive national issue. I know that given the opportunity he will rise and do that.

Let me talk briefly about another aspect that is tied in. The framers of the flawed Constitution Act of 1982 inserted the notwithstanding clause which limits our most fundamental rights and freedoms. They did not do so in order to reconcile the Canadian family and build a solid and lasting constitutional edifice. Rather, they did so hurriedly in order to achieve their cherished agenda of repatriation with an entrenched Charter of Rights.

I always thought, Mr. Speaker, very fundamentally, that a Constitution ought to do two things: First, it ought to unite a nation and, secondly, it ought to protect the inalienable nature of individual rights. The Constitution of 1981–82 did neither. The Constitution, which is supposed to bring unity and protect individual rights, was (a) rejected by the National Assembly of the Province of Quebec, Liberals and PQ alike at that time. For the first time in history it diminished the rights of the National Assembly. So, the first test of the Constitution failed. It did not enhance national unity.

Mr. Speaker, perhaps no less importantly, if a Constitution does not have the reason of protecting your individual liberties, those of your family, to freedom of expression, freedom of association, freedom of the press, if all of these rights are not protected and rendered in inalienable in the Constitution, what is the Constitution about? The Government of Canada surrendered a notwithstanding clause in 1981–82, which said, in effect, "we hereby guarantee Canadians their fundamental right to language, to religion and to association, but, by the way, we forgot to tell you, these fundamental rights can be overridden if the Premier of Prince Edward Island or Saskatchewan or Quebec decides that it is in his interest to take them away.

• (1210)

In 1982, that is the grave flaw that was embedded into the Constitution. I am not commenting now on the use of that clause. That clause was given to the Premiers. It was given to them. We will have to ask why it was given, and I want to tell you right now, Mr. Speaker, that I am told that the view was that we had to get a deal, time was running out. A constitution that does not bring Canadians together, that is not accepted by all Canadians, and a constitution that does not protect the inalienable and imprescriptible individual rights of individual Canadians is not worth the paper it is written on.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Party voted for it.

Mr. Mulroney: This flawed constitution in 1981–82 contains—and I will talk to my hon. friend. There is a clause in there, and my hon. friend is as opposed to it as I am, that causes grave concern to all Canadians now that Canadians understand the significance of that clause.

I want to say about the notwithstanding clause that never before nor since in our history has a Prime Minister of Canada made a concession of such magnitude and importance. Never before has the surrender of rights been so total and abject. It is difficult to conceive of a negotiating blunder more damaging to the strength and the leadership of the Supreme Court of Canada and to Canada's federal institutions than that which took place in 1981 and 1982, and I know that all Members of the House will want to work together over the next years as best we can to make sure that this constitution is improved and that that major fatal flaw of 1981, which reduces your individual rights and mine, which holds them hostage, is dealt with collectively with the Premiers so that all Canadians have their fundamental rights and know they exist forever.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have in particular, Mr. Speaker, a major gap to fill, the ratification of the Meech Lake Accord. I believe the words of Sir John A. Macdonald are as true today as the day he uttered them. "We are a great country", he said, "and shall become one of the greatest in the universe if we preserve it. We shall sink into insignificance and adversity if we suffer it to be broken."

With Quebec a willing participant in Confederation, with Canada enthusiastically made whole again, I believe there is little that we cannot achieve together. Without Quebec's adherence, our prospects darken. Never before have the prospects for constitutional reconciliation been so starkly simple or so close to our grasp. Never before has the risk of disappointment contained such consequences for our future.

I again salute and underline the contribution and the leadership of the Leader of the NDP, and in particular the Leader of Her Majesty's Loyal Opposition, on a very important national issue.

Last week, I conveyed congratulations to the Hon. J. W. Pickersgill on his important role 40 years ago in making Newfoundland a part of Canada. He contributed significantly to this historic result and performed, I thought, a major act of nation building by an individual whose entire life has been a commitment to Canada and to our national unit. I think he has had a most distinguished career in Canada and has been a pillar of the Liberal Party over four decades. As principal secretary, I think Clerk of the Privy Council, senior adviser, Member of Parliament and senior cabinet Minister, Mr. Pickersgill has a unique understanding of constitutional negotiations, of their import and their impact, and a sensitive appreciation of the nuances of Canadian federalism.

Jack Pickersgill is now a man approaching 84 years of age. He has no more political battles to win. He has no more mountains to climb. It was instructive, therefore, to re-read what Mr. Pickersgill said in his analysis of the Meech Lake Accord. "On the eve of that meeting," he wrote, "I would not have given the First Ministers one chance in 10 of success. I was excited and delighted when they reached accord. Once I read the document," Mr. Pickersgill said, "I was satisfied it met the requirements of Quebec without in any way reducing the jurisdiction of the Parliament of Canada. I was delighted by the generous and united reception of the miracle of Meech Lake by all parties in Parliament."

He concluded by saying, "If we allow this opportunity to pass, my guess is that it will probably not arise again for another generation and never again on such reasonable terms."

Great sadness for nations and people and families alike arise from opportunities lost. There is now an opportunity for Canada within our reach, one that shall, according to one of Canada's most distinguished sons, not arise again on such reasonable terms.

So what shall Manitobans and New Brunswickers do? Legislators representing 93 per cent of Canadians have already endorsed the Meech Lake Accord. The Leader of Her Majesty's Loyal Opposition, the Leader of the New Democratic Party and myself in my capacity as Leader of the Progressive Conservative Party have all endorsed the Accord. What shall Manitobans and New Brunswickers do? Shall they complete the process and bind the nation strongly together, or wait for a better deal that may never come while constitutional paralysis slowly envelopes the nation?

Canadians do not consider the Meech Lake Accord to be the last word in our constitutional evolution. Rather, they have in mind a variety of next steps which are pressing and which require discussion. If this discussion is to become possible, whether on the very important questions of Senate reform, aboriginal and linguistic rights, roles and responsibilities in relation to the fishery, and strengthening of our Charter of Rights and Freedoms, this can all come to pass once the Meech Lake Accord is fully ratified and implemented. Failure to ratify carries with it its own consequences.

• (1220)

[*Translation*]

Mr. Speaker, this is a time of extraordinary potential both at home and abroad. As we speak, winds of hope are blowing across Canada.

Confrontation and stereotypes are giving way to new attitudes founded on economic reality. Constructive internationalism is needed, and Canada is certainly prepared to play its part. The government is encouraged by the signs of change in the Soviet Union and elsewhere, by a new emphasis on the forms of democracy in these countries.

We are also genuinely impressed, it must be said, by the creative and daring leadership provided by President Gorbachev. Such a will to improve, to build, and to reach out should not go unanswered. Reform is welcome if it lessens tensions in the world and increases the likelihood of peace. If we attain lasting peace, obviously, that is a wonderful benefit not only for Canada but for the world.

But we must temper our optimism with prudence. The Soviet Union remains a military superpower. It is not a free society as we know the term. Free speech remains a privilege, not a right. Parliamentary democracy as we know it here in our country does not exist, despite the encouraging reforms that we now see thanks to Mr. Gorbachev's vigorous intervention and the push he is giving his country to become a more modern and efficient state. Power still remains the prerogative of a few. That is why we must keep intact our relationships with our allies in NATO and NORAD, our basic relationships with our historic allies, and do our best to sustain our commitment to collective security in Europe and elsewhere. We will always do our part in peacekeeping, whenever the United Nations needs us.

In international, as in national affairs, Canada has been dealt a strong hand. It is our privilege to help to coordinate the economic policies of the industrialized world at the G–7 and the Economic Summit, to be the only country that is a member of the Commonwealth and a founding member of the Francophone Summit and to have a vested interest in the continued success of GATT.

But as a privileged nation, we also know our duty to offer our assistance in international development, in defence of human rights, in the relief of famine and suffering in areas of the world less developed or less fortunate.

[*English*]

And so, Mr. Speaker, as we meet again at the outset of this second session of the thirty–fourth Parliament, I am honoured to lead Her Majesty's Government whose legislative program has been placed before this House. Our priorities are clear. We will put our fiscal house in order so that our economy can remain strong and competitive. We will reinforce Canada's compassionate traditions so that those less fortunate will have their opportunity to grow as well. We will preserve Canada's environment so that future generations can enjoy it as we have. We will celebrate Canada's uniqueness so that the civility and tolerance of Canadians may be an example to the world. We will play our role constructively so that perhaps we can contribute to making the world a somewhat better place.

Much is a stake for Canada in the years ahead. There are few limits to what is possible if we as parliamentarians, as Canadians, occasionally set aside necessary partisanship and work together from time to time toward larger goals for the good of the nation. We hope that all Canadians will join us in realising the bright future which history holds for Canada.

Some Hon. Members: Hear, hear!

* * *

MOTION TO ADJOURN UNDER S. O. 52

RAFFERTY–ALAMEDA DAM CONSTRUCTION PROJECT

Mr. Speaker: I should advise the House that I shall interrupt the proceedings briefly to hear an application for an emergency debate from the Hon. Member for Winnipeg Transcona (Mr. Blaikie). I want to say to the Hon. Member that it was my error that this was not heard earlier. I now recognize the Hon. Member.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am glad the Minister for the Environment (Mr. L. Bouchard) and the Prime Minister (Mr. Mulroney) are still here. The reason that I am seeking an emergency debate with respect to the Rafferty–Alameda Dam construction project is that since the House sat before Christmas it has come to the attention of the Canadian public, and I hope finally the Minister of the Environment, that federal lands are involved in this project. One of the contentions made by a previous Minister of the Environment of the Government was that there was no need for a federal environmental assessment review of this project because there were no federal lands involved.

It was my hope that the Minister of the Environment would have lived up to his responsibilities by now and called for that kind of an inquiry. He has not done that. I think it is an emergency. The project is about to begin and it is about time the Parliament of Canada had an opportunity to debate fully this particular project and debate fully whether or not the Minister for the Environment has lived to his responsibilities in this regard. I believe he has not and that he has let down the people of Manitoba, in particular, Manitobans whose concerns have not been taken into account so far.

Mr. Speaker: I will consider the Hon. Members comments. I should say to all hon. members and the public that it is, of course, a matter of considerable concern to many Canadians. Whether it is appropriate to seek an emergency debate, that is what I will consider.

Again, I want to apologise to the Hon. Member for not having heard his motion earlier this morning.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order. I wonder if in rendering your judgment on whether or not an emergency debate is appropriate in the circumstance you could at that time give the House the benefit of your interpretation of Standing Order 52 (2) and 52 (3) that a written statement on the matter proposed to be discussed be delivered to yourself. Then in Standing Order 52 (3) it states:

> When requesting leave to propose such a motion, the Member shall rise in his or her place and present without argument the statement referred to in Section (2) of this Standing Order.

We appreciate the need for emergency debates. They have a place. That was shown on Tuesday night. They have to be presented in accordance with the rules, otherwise we get into argument and it is a one-sided argument. I have no problem with a two-sided argument but I have a lot of difficulty with that kind of rhetoric being a called a statement as referred to in the rules.

Mr. Speaker: First, I thank the Hon. Minister of Justice (Mr. Lewis) for his intervention. I think there is some justice in his observations. In the interest of all Members I will come back later on this afternoon and perhaps clarify and in a modest way give some guidance to all of us.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to make one short comment. If you read Standing Order 52 (4), and I will read it:

> The Speaker shall decide, without any debate, whether or not the matter is proper to be discussed.

It is up to the Speaker.

Mr. Merrithew: Nobody is arguing without.

Mr. Gauthier: No reasons are required. No explanations are required. I hope the Government is not arguing that the Speaker should now explain how he comes to his decisions, because that would be completely wrong.

Mr. Lewis: No, we are not doing that.

Mr. Speaker: I thank the House and I know the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) wishes to get on with debate, but let me say this: I did not take the intervention of the Minister of Justice (Mr. Lewis) as argument meeting the matters that were put forward by the Hon. Member for Winnipeg Transcona (Mr. Blaikie). The Minister of Justice is saying that there are rules by which an application for an emergency debate is to be made. I think what the Minister of Justice is saying—and as the Speaker of the House I must listen to him—is that he has some concern that perhaps we have strayed away from the rule a little bit. I will take that under consideration. I think it is a legitimate comment and I will come back to try to assist the House.

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is absolutely right that there is not to be argument. The Speaker must make the decision and, of course, as Hon. Members know as a consequence of the deliberations of the reform committee, the Speaker has been urged not to give reasons.

I welcome the interventions that are made and I will come back to the House on the subject later today.

• (1230)

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, April 5, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her speech at the opening of the session, and the amendment of Mr. Turner (Vancouver Quadra) (p. 131) and the amendment to the amendment of Mr. Broadbent (p. 140).

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, unlike the Prime Minister who just spoke, we ordinary Members have only 20 minutes to speak in this important debate. Consequently, we are restricted to a few key subjects.

The Prime Minister referred to certain remarks I made and to certain questions I had put in December with respect to the language question, and I wish to deal with that first.

I put my question to the Prime Minister on Monday, December 19, the day after Premier Bourassa had held a press conference during which he announced his intentions with respect to language legislation. It is true that in answer to my question the Prime Minister said that he had called Premier Bourassa on Sunday and that he had expressed the view that the use of the notwithstanding clause was not correct, and that he thought that what was proposed by the Government of Quebec was an inappropriate response to the Supreme Court judgment.

Commenting on his response, I thought the principles enunciated in his response were fine. However, a few days later the Secretary of State, the Hon. Member for Lac-Saint-Jean (Mr. Bouchard), the Minister responsible for the official language minorities in this country, made exactly the opposite statement, and he was not even present in the House while this issue was under discussion. He stayed away.

In this instance we had an important Minister on a cabinet matter, on a Government matter, expressing a view quite different from that of the Prime Minister. The Secretary of State said that he supported the use of the

notwithstanding clause. He thought it was justified. I believe that soon afterwards the present Minister of Transport (Mr. Bouchard), his neighbour in the Lac-Saint-Jean area, made similar remarks, as did other members of the Quebec Conservative caucus.

One can tolerate back-benchers having a different view from that of the Prime Minister. However, under our parliamentary system, one cannot tolerate important Ministers having different views from those of the Prime Minister on a subject like this. The Prime Minister was allowing the Government to speak with two voices, one to the nationalists in Quebec, another to the Anglophones in Quebec and the people outside Quebec. Members of the Government were speaking with a forked tongue; they were giving the impression that they were on both sides of the issue. On that, Mr. Speaker, I cannot congratulate the Government, and I cannot accept its policy.

If the Prime Minister was sincere in what he said to me on December 19, he should have fired the Secretary of State from the cabinet, and he should have fired the Minister of Transport from the cabinet.

Some Hon. Members: Hear, hear!

Mr. Allmand: Simply transferring him from the position of Secretary of State to another cabinet portfolio is not enough in our system of Government. Perhaps on a minor policy matter one could accept this, but this is not a minor policy matter. In this case we are discussing under what circumstances one can suspend the basic rights of this country. The Prime Minister stated that he did not support the use of the notwithstanding clause. The Secretary of State at the time, now the Minister of the Environment, stated that he did and that he thought it was essential that the notwithstanding clause be present.

In our system of Government one cannot tolerate that type of split within the cabinet. If the Prime Minister was sincere in what he said to me on December 19, he should fire the Secretary of State, now the Minister of the Environment, the Minister of Transport, and any other Minister in his cabinet who holds that position.

Today I accuse the Prime Minister of using double-talk to me on December 19. On that day he announced principles of which I can approve. He said the right thing. But then he backed off and allowed members of his Government to speak with different voices to different groups in this country.

With respect to the sincerity of the Prime Minister with respect to the notwithstanding clause, and if he felt so strongly opposed to it, why was it not on the table for the constitutional discussions which took place at the time of the Meech Lake Accord? We could have recognised many of the principles contained in the Meech Lake Accord, as our party had suggested, and still get rid of the notwithstanding clause.

The Prime Minister did not do that, and he is still not doing that. He is not proposing that the notwithstanding clause be put to the provinces to be removed from the Constitution. Again, one wonders about the sincerity of the Prime Minister on this particular question.

At this time I fully support the statement made by my leader yesterday. I thought it was an outstanding statement in favour of minority rights everywhere in this country. If it were pursued by the Government, it would enhance national unity. It is a type of policy that, if pursued by the Premier and the Government of Quebec, it would enhance national unity and give support to the Meech Lake Accord. Unfortunately, that policy is not being pursued.

I have been here for 23 years. One of my highest priorities has been the protection and the guarantee of minority language rights. Year after year I have fought in the House and in the Joint Committee on Official Languages for the protection and the enhancement of the French language. My colleague, the Hon. Member for Vanier (Mr. Gauthier) who sits on the committee with me knows that I have done that. Time and again I have made a statement to the effect that Ontario should opt into Section 133 of the Constitution Act of 1867. I do not have to take second place to anyone in that respect.

However, in order to protect and promote the language rights of any one group it is not necessary to suppress the language rights of another group.

As the Supreme Court stated in its judgment, which we support, it is quite appropriate to have a law in Quebec, or anywhere in Canada, in which the use of one language is insisted upon, whether it is English or French, or even to insist upon the priority of one language, and that provision is made for the protection and the promotion of that language. All that is totally acceptable, as the Supreme Court has stated. However, it is not acceptable to suppress one language in order to protect another language.

When one says things like this, very often he or she may be accused of being insensitive to those people who want to protect the French language. I want to rebut that very clearly. The Anglophone population in Quebec now stands solidly behind the principle that the French language and culture in Quebec must be protected, promoted, and allowed to flourish not only in Quebec but throughout the country. We agree with that. Most of us are having our children educated in immersion courses or in French schools. At the present time, I understand that the Anglophone youth population of Quebec is more bilingual than the Francophone youth population. There is goodwill there. The type of law that was introduced by the Premier of Quebec does not support that type of unity between the two language groups.

I want to remind the House that in 1982, when the first draft of the Constitution was presented to the House, it did not contain the notwithstanding clause. It was a very good document and I supported it 100 per cent. I had always been in favour of an entrenched Charter of Rights. I was in favour of the repatriation, and I was in favour of an amendment clause which had been required for many generations.

However, at the last minute, following the counsel of the Supreme Court of Canada, there was another federal-provincial conference. It was at that point, at the request of certain provinces and not the federal Government, that the notwithstanding clause and other clauses were introduced, such as Section 59 which weakened language rights and other clauses which weakened aboriginal rights. I finally voted against the Constitution. I made my point clear at that time and I am consistent today.

If the Prime Minister says he was not treated fairly yesterday by the Leader of the Opposition, let him make as strong a statement in favour of minority language rights as did the Leader of the Opposition yesterday.

Some Hon. Members: Hear, hear!

Mr. Allmand: Let him stand in his place and say similar words, not only for the Anglophones in Quebec, but for the Francophones throughout the country, both in Quebec and in the other provinces. If the other Ministers in his cabinet do not agree with what he says, then to show his sincerity on this matter they should be fired.

I wish to deal with some other matters in the short time left to me. At the very beginning of the Speech from the Throne the Government states:

> My Ministers believe that continued progress in reducing the deficit is a vital necessity if Canada's economic well-being is to be secured.

• (1240)

Madam Speaker, what a farce, what nonsense! This sort of declaration comes from a Government which in the pre-electoral period last year, that is, from May 30 to September 13, 1988—that short period before the election—announced or promised new programs amounting to $12.2 billion. If we add on the promises to buy a fleet of nuclear submarines and 300 new tanks, we see the promises amount to $20 billion. This is in the pre-electoral period.

Then, during the election campaign, after the election was called, another $16.9 billion in promises were added on top of the $20 billion. In the by-election in Lac-Saint-Jean where the famous Minister of the Environment (Mr. Bouchard), at one time the Secretary of State, was elected, in order to get him elected this Government, which says it is concerned about deficits, promised commitments amounting to $163 million. That was in just one by-election.

During the last Parliament the Government bestowed benefits amounting to $288 million in the Prime Minister's riding of Manicouagan.

After the election in the Speech from the Throne we get a statement whereby the Government states that reducing the deficit is a vital necessity. There is no doubt that some of the projects promised before the election and during the election are good ones and should be implemented. But what is wrong is the hypocrisy and the dishonesty of the Government. Before the election it was promising and spending money like prodigal sons on everyone's favourite project from the East Coast to the West Coast. Now, immediately after the election, it is setting us up to cancel these projects and cut back on many others.

The Conservatives' pre-electoral and electoral tactics were a massive con game on the Canadian people and have to be condemned in the strongest terms.

I refer to an article written by John Ferguson, a well-known economic journalist in the country, an article in his column published on February 4, 1989, in which the headline reads "Tories do sudden about-face on severity of the debt". In the article Mr. Ferguson points out, and correctly so, that in the Budget of the Minister of Finance of last February he said: "Our challenge in 1984 was to restore fiscal stability and rebuild credibility in the management of Government finances". "That is exactly what we did", said the Minister of Finance. So in other words, they had solved that. We were given the impression that it was the time

now to go on and spend money in the pre-electoral period.

In speaking to some businessmen in New York in December, and I am quoting Mr. Ferguson: "The Minister of Finance crowed about the Tories' achievements on the spending control front during the first mandate".

If the Government had solved the problem last year, why all of a sudden do we now have a crisis with respect to the deficit that will lead, we believe—and we are waiting for the Estimates and for the Budget to be tabled—to a severe slashing of important Government programs, many of them important to the Canadian people? This is not untypical of this Government, a Government which promises one thing and does another, which flip-flops all over the place.

We say that the deficit is important, but we also say that what is more important is economic growth which, in the long run, is the best way to reduce the deficit and, in addition, a fair distribution of that growth. Economic growth cannot be promoted by wholesale cuts in certain Government programs which are essential for economic infrastructure and development. In particular, if one is interested in economic growth one does not cut programs for post-secondary education, for training, for upgrading, for research and development, for transportation and communications infrastructure and for industrial modernisation. If one is interested in economic growth and really doing something about the deficit one does not cut those kind of programs because they lead to growth in the economy and to an increased income for the Canadian Government. One does not cut programs which help people buy the very basic necessities of life. All that money is received by these people at the bottom level of our income status, all that money is recycled in the economy for food, shelter and other basic goods and services.

With respect to the great claims of the Government that the economy of Canada is in wonderful shape and that we should all be extremely pleased, let me remind Members that a rate of unemployment at 7.6 per cent is still a higher rate than we had in 1981 before the recession. In 1981 we had a 7.5 per cent unemployment rate. In the period from 1965 to 1980, years which were mostly under Liberal Governments as was pointed out by the Prime Minister (Mr. Mulroney), the average rate of unemployment was 5.6 per cent. Here we have a government boasting of an unemployment rate of 7.6 per cent when more than 1.2 million people are still unemployed.

I know some Members over there are very insensitive when they hear the truth on this subject. We still have in this country five provinces with over 10 per cent unemployment. The Province of Quebec is just under 10 per cent. Here we have a situation in which the largest province in population of course is affecting the national figures. Thank God things are good in Ontario—we have a Liberal Government in Ontario. But the point is that in the regions of the country the economy is not good. There are still over one million Canadians unemployed and the rates of unemployment in the Atlantic provinces, British Columbia and Quebec are highly unsatisfactory.

If the Government is looking for things to cut, as we have said before, it could cut out those nuclear submarines which I note this morning have been criticized once again. I have here a Canadian Press article which appeared in today's newspaper, the title of which is: "Nuclear subs waste of money, retired U.S. admiral warns". He is quoted as saying that Canada's planned fleet of nuclear-powered submarines will run into huge cost over-runs, will quickly become obsolete and make little strategic sense. This is what retired U.S. Navy Rear Admiral Eugene Carroll said yesterday. He is the Deputy Director of The Centre for Defence Information in Washington.

In addition, if the Government is really interested in cuts, and if it is intent on listening to its friends in the Canadian Manufacturing Association, it might call for cuts in subsidies and grants to the corporate sector. According to a study that was completed late in 1988, and I am referring to an article reporting on that study, business has demanded cuts in spending on social programs to reduce the $28 billion a year deficit but seems to be ignoring the fact that its share of federal largesse has grown while its share of the tax burden has shrunk. As a percentage of Gross Domestic Product, the value of all goods and services produced in the country spending on business through subsidies and other assistance increased from less than 1 per cent in 1970 to a peak of 2.5 per cent in the mid 1980s. Spending on persons meanwhile has declined steadily since peaking at about 7 per cent of Gross Domestic Product during the recession to about 6 per cent of Gross Domestic Product today. I would encourage the Government to look at that side if it insists on cutting in order to deal with the deficit.

The Speech from the Throne also talks of changes in the Unemployment Insurance Act. But it does not state exactly what it has in mind. We can presume, however, that it wants to cut here as well. We will be looking very closely to see what the Government will propose. I know there are some in this country who will say it is good, that unemployment insurance is too high, it encourages laziness and all those other sort of slogans that we hear from time to time. That is an extremely narrow view. Unemployment insurance was introduced by a Liberal Government in the 1940s following the great depression of the 1930s when there was no unemployment insurance and people had to stand in breadlines. The unemployed had no way of paying for their groceries or for their rent, the basic necessities of life. Unemployment insurance was introduced by Liberals to take care of that situation. It must be kept in place and be kept up to date to still take care of that situation.

Of course there are abuses. But the abuses are relatively low and they are far less than the abuses that are made with respect to the tax system. We must correct the abuses. We will support measures to correct abuses, but we also want to make certain that there are no savage cuts in the system.

Madam Speaker, I see that you are telling me that my time is coming to an end. At the beginning of the last Parliament the Government said that this was a high priority. It appointed the Forget Commission. It sat for over a year and made a report with about 50 recommendations. The Government did not accept any of them. It referred the report to the Standing Committee on Labour, Employment and Immigration, which had a Tory majority. We studied the question for more than a year and made about 70 recommendations. The Government did not implement any of them. It could not make up its mind. It completely copped out on the whole question. Here we are again about to go through the same exercise.

I want to say this to the Government: we will be ready to support measures to improve the Unemployment Insurance Act to take out the inequities, to make it a more effective system, but we will not support slashing and cutting the unemployment insurance system so people are not able to buy their food or to pay their rent when they are put out of work against their will.

The Acting Speaker (Mrs. Champagne) Are there questions or comments?

• (1250)

Mr. Charest: Question or comment, Madam Speaker. I was interested in the Hon. Member's remarks about the notwithstanding clause, and I know that he has an interest in that issue. I was wondering whether he would like to comment on the fact that a well known Member of the Liberal Party, the federal Liberal caucus, the Member for Laurier—Sainte-Marie (Mr. Malépart), has stated a very strong and unequivocal position on the notwithstanding clause? Could he explain for the House, Madam Speaker, what he thinks of the position taken by the Hon. Member for Laurier—Saint-Marie?

Mr. Allmand: Madam Speaker, I said that one can tolerate and one could tolerate people in the Conservative Party as well backbenchers who would take a different position from the Prime Minister and from the Government. That has always been accepted. You have had cases of that in both Parties. But within our parliamentary system it is not acceptable for a Minister of the Crown, one of the Privy Counsellors sitting in Cabinet with the Prime Minister, to take a different position from that of the Prime Minister on a critical issue such as this. So we can tolerate the fact that some of your backbenchers might disagree with the Prime Minister, and the fact that some people in our caucus disagree with the position stated by the Leader can be tolerated. We are not in government and we are not running the country through a cabinet system.

What cannot be accepted is when a government, meaning the Cabinet of this country, speaks with two voices on a most important issue. According to our system, either the Prime Minister fires the Minister in question, or the Minister, if he is honourable, resigns from the Cabinet because he cannot accept the policy of the Prime Minister.

In this case, that is not being done. Two different messages are being sent out to the country to please whatever group wishes to hear them.

Mr. Riis: Thank you, Madam Speaker. I listened with interest to the Hon. Member's presentation and I found it to be, as usual, very thoughtful and indicating an understanding particularly of the regions of the country, and I know that the Hon. Member has travelled extensively and knows Canada well. I wonder if he would explain how he feels this Government has reacted in terms of really understanding and meeting the needs of the regions of Canada.

Mr. Allmand: Madam Speaker, if I had had unlimited time, as did the leaders of the Parties, I could have gone on for hours giving example after example of how the regions have been ignored. The Prime Minister boasted this morning about how he won the election, but we have to remind him again and again that he only got the majority of votes in two out of ten provinces. And if one looks at Atlantic Canada, the Liberal Party won the overwhelming number of votes and seats there. If we look at other parts of the country that are underdeveloped economically, such as northern Ontario, the Government did not win the seats there. In the Northwest Territories and the Yukon, the Government did not win a seat.

The regions of this country that have been ignored sent a message to the Government. You did not win the popular vote. Madam Speaker, I hope they keep in mind, when they are about to introduce some of these programs that they are thinking about in Cabinet—to cut programs—that they remember that their program was not accepted by a majority of voters in this country. I think our leader referred to it yesterday. I think 56 per cent of the electorate rejected the Government and the Government's programs. They only won a majority of votes in two provinces, Quebec and Alberta. So they do not have a total mandate, and they should keep that in mind. What is amusing, Madam Speaker, is that they do not want to think about that, but if the people who are harping over there now—and a lot of them were not here between 1980 and 1984—but if they look at the speeches that the Tories made in this House between 1980 and 1984 when such things as the National Energy Program were taking place, they were saying you do not have a mandate, you have no majority in Alberta, despite the fact that we had the majority in Parliament and we thought it was the right thing to do. So be consistent.

I guess I am asking too much when I am asking Tories to be consistent.

Mr. Hopkins: Thank you, Madam Speaker. I want to ask my colleague who has just spoken if he noted in the Prime Minister's (Mr. Mulroney) remarks this morning that the Prime Minister was desperately trying to downplay all the special interest money that was thrown into the election within the last 10 days before election day, and he mentioned the regions this morning again, but he was very convenient in leaving out eastern Ontario where there is no regional development at all.

In relation to the Prime Minister's remarks, he stated that we were accusing them of buying the election. We were not doing that—

The Acting Speaker (Mrs. Champagne): Order. I would think that the Hon. Member would have questions on his colleague's speech and not on the preceding intervention in the House.

Mr. Hopkins: Thank you very much, Madam Speaker, but the fact that they were intertwined, it is rather difficult to separate them.

Some Hon. Members: Hear, hear!

Mr. Hopkins: Madam Speaker, it is obvious that they are agreeing with me across the way.

The Hon. Member knows the regions of Canada very well, and regional development programs. He also knows the employment situation in Canada very well.

Some Hon. Members: Hear, hear!

Mr. Hopkins: Does he realize that there are regions of this country that do not have accurate unemployment figures because they are averaged in with more prosperous areas in StatsCanada? I wonder if the Hon. Member would comment on that because it is very relative to what he was saying about unemployment and about regions left out in Canada.

Mr. Allmand: Well, Madam Speaker, the statistics on employment are rather confusing. A lot of Canadians do not realize that the statistics are not accumulated by simply counting the unemployed, but they are done through a survey system. This system, of course, has a tendency to ignore the less populated areas. Although we get the rates in the populated area, the surveys are not as complete. For example, one thing that in my opinion distorts the figures is that if you work one hour a week, you are counted as employed.

There are a lot of other things. The way they count people out of the labour force and therefore unemployed is another bit of distortion. But your original question as to the Prime Minister's attempt to make the situation sound much rosier than it is really is typical of the Prime Minister and a Conservative Government who are expert in the politics of rhetoric, experts in posturing, experts in smokescreens.

While I was happy with what the Prime Minister said to me on December 19, I became quickly disenchanted when he allowed his Secretary of State responsible for Official Languages to say exactly the opposite thing in French in Quebec and give the impression that he was doing one thing for Anglophones and linguistic minori-

ties outside of Quebec, and another thing for Francophones inside of Quebec, a completely different policy tolerated. That is not acceptable, Madam Speaker.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. The time for questions and comments has expired. It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

LEBANON—REMOVAL OF FOREIGN ARMIES URGED

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I rise to bring to the attention of the House the plight of the people of Lebanon who, after 14 years of strife, are suffering deprivation, terror, and death.

This morning, before Parliament, we had 2,000 Canadians of Lebanese origin who came here. Along with many of my colleagues from both sides of the House—and I have to thank them for their presence this morning—I heard the Lebanese community here in Canada call upon us to call upon the Government of Canada to use all its diplomatic levers through the United Nations to rid Lebanon of all foreign armies.

Mr. Speaker, the people of Lebanon have suffered much in the past 14 years. They are a determined people. They are a passionate people, but they are a specific people. Let them have the chance so that peace may be established in the part of the world that was once the cradle of civilization. Thank you very much.

Some Hon. Members: Hear, hear!

[*Translation*]

ABORIGINAL PEOPLES

CONSTITUTION OF AUTONOMOUS REGIONAL GOVERNMENT

Mr. Guy St-Julien (Abitibi): On Monday, April 10, Mr. Speaker, Inuit and White citizens alike will elect the six members of the constituent assembly which will draft the constitution of a future autonomous regional government for the area.

This election is the result of the process initiated in November 1983 by the then Québec Premier René Lévesque when he asked the Inuit to elect their own responsible government.

Having decided in 1987 that territorial rather than ethnic considerations should be the basis for their government, the citizens held a referendum and the majority stated that the members of the constituent assembly would be elected by universal suffrage rather than appointed by the regional corporations, and that their work would be financed by a voluntary tax.

Twice the National Assembly of Québec passed a unanimous resolution asking the chief electoral officer to provide expert advice to the people of Nunavik to ensure that the election is carried out in accordance with the basic rules of democracy.

To the citizens of Nunavik, Mr. Speaker, I say: Kanatamiolimaate opigochoukpout amalou sapoummissoutik ilitinik.

You have the admiration and support of all Canadians!

* * *

[*English*]

EXTERNAL AFFAIRS

POLAND—ACCORD REACHED BETWEEN SOLIDARNOSC MOVEMENT AND GOVERNMENT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I know that all Members of the House will join with me in expressing congratulations to the Polish people who yesterday achieved great progress toward the signing of an accord by the Government and the Solidarity movement.

This accord, which reinstates the legal status of Solidarnosc and allows for the first democratic elections in Poland since the Second World War, marks a significant step towards national reconciliation.

The agreement represents a great achievement for Nobel Peace Laureate Lech Walesa and the Solidarnosc movement. They have shown enormous courage and determination over the last several years, and it is very gratifying, indeed, to witness their success.

What has occurred in Poland reflects other changes in Eastern Europe and the Soviet Union that the Canadian Government has yet to respond to adequately in its analysis of East–West relations. We urge the Canadian Government to do some new thinking of its own.

* * *

RED CROSS

ASSISTANCE TO VICTIMS OF ARMENIAN EARTHQUAKE

Mr. Bill Attewell (Markham): Mr. Speaker, I visited Soviet Armenia last week, along with three Canadian Armenian leaders. I want to praise the Red Cross for their vital assistance following the disastrous earthquake on December 7, 1988, in which 50,000 to 100,000 people lost their lives.

We visited several areas, including the town of Spitak which was totally destroyed. Of the 50,000 persons who lived there, approximately 20,000 perished.

The Canadian Government contributed $5 million through the Red Cross and Canadians donated clothes and medical supplies and other assistance totalling almost another $10 million

The real need now is for homes. Five hundred thousand Soviet Armenians are homeless. Many are living in tents and shacks. Winter is only six months away. I urge the Government and Canadians to give further assistance.

* * *

EXTERNAL AFFAIRS

LEBANON – REMOVAL OF FOREIGN ARMIES URGED

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, today I call for an end to the suffering in Lebanon. The people of Lebanon have endured 15 years of war, destruction, violence and terror.

Civil war has broken out, and once again we are witnessing the effect that the occupation of foreign military forces are vhaving on this already devastated country.

I am therefore calling upon the Canadian Government to continue to exercise a leadership role in peacekeeping by pressing for the withdrawal of all foreign military forces currently occupying Lebanon, with the exception of the United Nations Forces.

[*Translation*]

Like all other nations, the Lebanese people should have the right to cultural independence and self-government without any outside influence. Now is the time to put an end to the slaughter!

* * *

ENVIRONMENTAL AFFAIRS

BILL C-74 – IMPORTANCE OF IMPLEMENTING REGULATIONS

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, for the second time in less than three months, the Belgo pulp and paper mill in Shawinigan has been responsible for a major discharge of pollutants into the Saint-Maurice River.

This mill, Mr. Speaker, is recognized as one of the worst polluters in the whole country.

Parliament passed Bill C-74 respecting the protection of the environment in May 1988. I now ask the Minister to implement as soon as possible the necessary regulations to make this act truly operational. Time has come for uncooperative corporations to toe the line. It is also our duty to do so. This is precisely the task which the government will tackle in the coming weeks with a firm commitment on this issue.

* * *

[*English*]

CANADA POST CORPORATION

CALL FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, today the Minister responsible for Canada Post received a letter from the Canadian Union of Postal Workers citing cases of worker harassment and severe inefficiencies within the postal system.

In that letter CUPW called for a Royal Commission of Inquiry into the management practices, accessibility, quality and level of service in the Canada Post Corporation.

I and my colleagues in the New Democratic Party, Mr. Speaker, are well aware of the problems facing the people who work for Canada Post and the people who receive the services of Canada Post.

Therefore, Mr. Speaker, we welcome the call for the Royal Commission and urge the Government to take the only responsible route open to it today—acknowledge that problems exist within the Post Office and, indeed, that operations there are not perfect, and agree to this reasonable request made today by the president of CUPW.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY—FUND RAISING IN BRITISH COLUMBIA

Mr. Benno Friesen (Surrey—White Rock): Mr. Speaker, several years ago the New Democrats of Ontario were caught laundering money on behalf of civic politicians in the city of Toronto. They got their knuckles rapped, but that did not stop the operation. They simply moved it to British Columbia.

In a fund raising letter, the Mayor of Surrey says:

> To help please mail a cheque to the Surrey Civic Electors, 7222 King George Highway, Surrey, B.C.
>
> P.S. Remember this donation is tax receiptable if made out to the NDP and you get a tax credit of 75 per cent for the 1st $100—donated per year, 50 per cent for the next $400—donated per year.

I would call on the Minister of National Revenue, Mr. Speaker, to do a complete audit of the books of the New Democratic Party in B.C. to see to what extent the Canadian people have been robbed of their money.

If they are not going to be ethical they should at least be legal.

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CANADA POST CORPORATION

CALL FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, early this morning the Canadian Union of Postal Workers made a formal request to the Minister responsible for Canada Post to institute a Royal Commission of Inquiry into the management practices, accessibility, quality and level of service offered by the Canada Post Corporation.

Mr. Speaker, there have been no fewer than three suicides this year of Canada Post employees. There are 52,000 grievances of employees right now and the level of service has been deteriorating steadily.

On behalf of my colleagues, Mr. Speaker, I want to urge the Minister to initiate this Royal Commission of Inquiry at the earliest opportunity. There is no doubt that the grieving employees are not always right, Mr. Speaker, but they cannot be always wrong either, and the Government should do something to improve the level of service and the working conditions at Canada Post.

* * *

SPORTS

WORLD JUNIOR WOMEN'S CURLING CHAMPIONSHIP WON BY FUNK RINK

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, on Easter Sunday four young women from Spruce Grove, Alberta, became the toast of the curling world.

The Funk Rink, coached by Carole Larsen, with Laurelle Fund, lead, and Cindy Larsen, second, and Sandy Symyrozum, third, and Ladawn Funk, skip, won the World Junior Women's Curling Championship.

With superior skill they successfully met and beat the top competitors from around the globe. These young women are to be admired for their sportsmanship, their determination, their grace under pressure. Certainly, they set an example for young people everywhere.

• (1410)

Mr. Speaker, I am sure I speak for all Canadians and for my colleagues in the House when I offer these young women our heartiest congratulations as World Curling Champs.

Three cheers for the funky foursome from Spruce Grove, Alberta!

Some Hon. Members: Hear, hear!

* * *

TRADE

SYDNEY STEEL CORPORATION—COUNTERVAIL DUTY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, on February 23, 1989 the U. S. Department of Commerce levied a countervail against Sydney Steel Corporation. They did this to the extent of 103.55 per cent, basing their decision, their preliminary decision, on all the government assistance that Sysco had received. They did this, believing that in the Canada-U.S. trade agreement, a subsidy included regional development. On that list of subsidies and on that list of regional development programs they included economic regional development agreements and general development agreements, the backbone of the regional development

program in this country. Yet there is no definition in the trade agreement of a subsidy, because the Government did not include one.

I would ask the Government, and particularly the Minister for International Trade (Mr. Crosbie), to press as hard as he possibly can for the abolition of this countervail against Sydney Steel Corporation, because under the global provisions of the Canada-U.S. trade agreement it should not be there anyway. And if not, then a corporation like Sysco that has taken advantage of Canadian programs, abided by Canadian laws, will be punished retroactively by the laws of the United States.

* * *

SPORTS

MEN'S WORLD FIGURE SKATING CHAMPIONSHIP WON BY KURT BROWNING OF CAROLINE, ALTA.

Mr. Doug Fee (Red Deer): Mr. Speaker, I rise today to salute a young man from my riding who, last month, brought great honour to himself and to his entire country when he won the World's Figure Skating Championship in Paris, France.

Mr. Kurt Browning, from Caroline, Alberta, captured the title in stunning fashion after he landed one of his patented quadruple jumps. Through Kurt's hard work, courage and perseverance, he has earned the right to be called the best in the world at what he does.

Mr. Speaker, there is seldom unanimity in this House, but I am confident that all Members will join me today in offering our sincerest congratulations to a fine young Canadian and men's World Figure Skating Champion, Mr. Kurt Browning.

* * *

SCIENCE AND TECHNOLOGY

SUDBURY NEUTRINO OBSERVATORY PROJECT

Mrs. Diane Marleau (Sudbury): I rise today on behalf of my constituents and on behalf of all Canadians to inform this House of a very important scientific project, the Sudbury Neutrino Observatory.

This project affords Canada a unique opportunity to establish a major underground science laboratory of the highest international stature and to perform a truly fundamental experiment of world class.

A neutrino is a particle given off by the sun, and by studying its properties in a unique location deep within Creighton Mine, scientists will have a more complete understanding of the universe.

We are deeply concerned about delays in a funding decision. There are great economic as well as scientific benefits to be gained by this laboratory.

Substantial financial contributions are expected from outside Canada and further delays could jeopardize this support. I ask that a definite commitment be made now, by the federal Government.

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[*Translation*]

TRIBUTE TO MEMORY OF MARCEL LORTIE

Mr Charles DeBlois (Montmorency—Orléans): Mr. Speaker, some time ago, the people of the riding of Montmorency—Orléans and Beauport in particular learned of the passing of Dr Marcel Lortie, a forest engineer who, through his research on tree pathology and the protection of forests, has become a renowned defender of the environment.

In recognition of his remarkable scientific accomplishments and his relentless involvement in the life of his community, notably in the field of education, Dr Lortie was awarded several awards during his brilliant career, in particular the service medal of the Order of Canada last October.

It is my hope that in the not too distant future the government will sponsor an environmental project bearing the name of Marcel Lortie. For my part, I have the honour to inform the House that I have asked the Commission de toponymie du Quebec to add the name of the deceased to its roster, thus ensuring that the great Canadian that was Marcel Lortie will soon be remembered by a place or a building named after him.

* * *

[*English*]

ABORIGINAL PEOPLES

INNU PROTEST AGAINST MILITARY LOW-LEVEL FLIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): Today in a courtroom in Northwest River, Labrador, or Nitassinan, 38 people stand charged for desperately trying to draw attention to the fact that military aircraft come screaming over the treetops of their homeland, destroying their livelihood, and threatening the health of their children.

Two of the basic principles which define our national character are that we are not an imperial military power, and that no one should be deprived of the use of their property without due process.

The Government of Canada has a legal and historical obligation to protect the interests of our original Canadian peoples. Platitudes will not stop the sonic booms, the bomb runs at the 30 tactical targets in the area, or the radiation from laser guided bombs. So, I ask the Minister of Indian Affairs and Northern Development (Mr. Cadieux) to press his colleagues to drop the charges against the 38 Innu, and to declare a moratorium on this invasion of the Innu homeland until the environmental review process is complete, and he has negotiated with the Innu in good faith.

ORAL QUESTION PERIOD

[*Translation*]

THE ENVIRONMENT

SPILLAGE OF TOXIC PRODUCTS INTO SHAWINIGAN RIVER—MINISTER'S KNOWLEDGE OF EVENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of the Environment.

At 4.30 p.m. Tuesday, 7,500 litres of oil contaminated with PCBs poured into the Shawinigan River. At 7.30 p.m. the same day, the Quebec Department of the Environment was informed of the spill. The federal Environment Minister knew nothing about it until 2.15 pm yesterday, shortly before Oral question Perdiod.

When the Environment Minister was informed of the spill, the oil slick had already spread over a distance of 30 kilometres.

On Tuesday night when we had our debate, and when the Minister told the House that oil and toxic waste spills were his number one priorities, the oil slick was spreading in Shawinigan, and he knew nothing about it.

Could the Minister explain the lack of competence he and his Department have shown?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to confirm part of the information given just now by the Leader of the Opposition.

I agree that my Department was not notified of the spill when it occurred, and as you know, the Canadian Environmental Protection Act stipulates that a company that is either affected by or causes a spill must immediately notify the federal Environment Department, and this requirement was not met. When we heard about the spill yesterday at noon, it was through the media, and I have therefore asked my officials to look at the possibility of pressing charges against this breach of the provisions of the legislation.

I immediately sent inspectors to the site, however. We have been in touch with the health authorites in Ottawa, and we had legal samples of the river water taken to ascertain whether the water was a health hazard. According to the federal health authorites, it is not. Meanwhile, pumping operations are under way. Last night I spoke to my Quebec counterpart, Mrs. Bacon. We are co-operating closely on this, and the situation is under control.

EMERGENCY MEASURES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, better late than never!

The Minister said the other night that he bases his policy decisions only on concrete facts. Here are some facts:

First, it is the second time in four months that toxic substances have been spilled at that plant. It is also a fact that an internal Environment Canada document named Consolidated Bathurst as one of the most polluting companies in Canada. It is also a fact that the Minister here is responsible for protecting the environment. It is also a fact that he was not aware of a toxic spill although he should have been.

So, what inspection measures—not last-minute, but ongoing—exist to prevent such a catastrophe from happening elsewhere in the country? Why does the Minister not have a mechanism in place to be informed of such a spill as soon as it happens?

• (1420)

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the law passed by this Parliament last June, on the initiative of the Government led by Mr. Mulroney, allows us to regulate the use of some toxic substances, all priority toxic substances, including the PCBs involved in the Shawinigan spill. I have asked my officials to look into the possibility of legal proceedings in this case, in the light of the inspectors' reports we will obtain.

However, this responsibility is shared with the provincial government. The provincial government also has its own inspection system. We are working in close cooperation. It is a lesson we have learned from the mistakes of past governments of which the Opposition Leader's colleagues were part. And I would point out that we can take the action we do now, Mr. Speaker, because of a law passed by this Government where there was absolutely nothing before.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister is making a statement to deny that there was a lack of co-ordination between the two governments.

[*English*]

MINISTER'S PRIORITIES

The Minister also promised when he was sworn in to his new Department that there would be tough new rules for pulp and paper companies. I ask him what that proves when he is not enforcing the existing rules.

Does the Minister say that in pollution matters, and we have heard him here for two days and one night, it is enough for him to say that we are lucky that the clean-up of the spill off Vancouver Island was done by volunteers because the Government was not fast enough; that we are lucky that the Valdez spill off the Alaska Panhandle has not spread yet into Canadian waters, that we are lucky that Hydro-Québec had a dam on the Shawinigan River so that the PCB spill did not go further?

If cleaning up toxic spills is the number one priority of the Minister, why did he not know earlier about this particular spill? Why was there no mechanism in place? Why did he not have in place a plan on the part of the federal Government to control and contain that spill in better co-ordination with the province?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Leader of the Opposition asked 50 questions in a single sentence. He also referred to spills. Was he talking about the Alaska incident? In that case it is obvious that the Canadian Government has no jurisdiction. This is not its responsibility, nor is it up to this Government to clean up the Alaska oil spill.

With respect to the Shawinigan spill, if that is the one the environment-conscious Leader of the Opposition had in mind, Quebec Government teams and local contractors—paid by the Belgo Company—have undertaken pumping operations to remove the PCB contaminated oil slick. We have been advised that the operations are going smoothly and that the health of the public is not endangered. That is the essential consideration.

As to the rest, reference was made—I am sorry, Mr. Speaker, I am taking more time than I should but I was asked a number of questions—to the pollution caused by paper companies.

I must point out to the House that this is the first time a Government has forced companies throughout Canada to provide information which will enable us within a few months to issue the strictest regulations ever in this sector.

* * *

[*English*]

AIR SAFETY

REVIEW BY DEPARTMENTAL AUDIT BRANCH—MINISTER'S INTENTIONS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Transport. I have here in my hand a document prepared by the internal audit branch of the Department of Transport dated June 1987. It clearly outlines that the Government totally failed to prepare for the wide-ranging effects of airline deregulation. The review points to critical shortages of air carrier inspectors, air traffic controllers and other safety personnel which greatly contributed to potentially endangering the lives of hundreds of thousands of air travellers in Canada. Your own Department, Minister, told you two years ago what has to be done. Would you tell the Canadian air traveller today—

Mr. Speaker: Perhaps I could assist the Hon. Member and ask him to put the question through the Chair to the Minister.

Mr. Comuzzi: Mr. Speaker, would he tell the people and this House today what he intends to do with respect to the safety of air travel in Canada considering that document?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have always refused to deal with leaked documents in this House and it is certainly not today that I am about to do so now.

My hon. friend has raised the issue of air travel safety in Canada, an important issue which certainly deserves the Hon. Leader of the Opposition's attention, so that he may understand what was said yesterday and again today, namely, that a process to deal with definite issues was implemented last week. My reply today is the same as yesterday, for the question is unchanged: We feel that the resources available to the Department of Transport are adequate.

This morning, however, I met for two hours with the representatives of air line companies, air line pilots, and air traffic controllers to define ways and means to assess these resources, and I have promised them that, on top of the billions of dollars which the Government has already spent on air safety since 1984, that if as a result of the review carried out by the air industry and the Department of Transport the need to increase the resources was evident, we would certainly increase them. Therefore, as usual, on the basis of the available data, we are acting as a responsible Government.

[*English*]

HAMILTON AIRPORT—REQUEST THAT TRAFFIC BE DIVERTED FROM PEARSON INTERNATIONAL AIRPORT

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I am sure the Leader of the Official Opposition needs no direction from the Minister of Transport on whether he should be paying attention in the House of Commons or not. How long have we been hearing these promises from the Minister of Transport? Since 1984? It is promises, promises. Where is the vision?

What the travelling public wants is concrete action from the Minister, not temporary, makeshift approaches to air safety.

The question is this. In light of his statement of February 21, 1989, that Hamilton Airport will unavoidably play a part in the decision the Minister would make in relation to the current air traffic problems, will the Minister then order the redirection of some air traffic such as small planes, executive jets, charter aircraft or cargo aircraft, the stuff that is making it so chaotic at Pearson, to Hamilton Airport immediately?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): On March 9, Mr. Speaker, together with my colleague the Minister of State (Transport), I initiated in Toronto an evaluation process ot the current air traffic problems not only at the Lester B. Pearson airport, but everywhere over the Toronto air corridor. We have received 62 different briefs. We have met hundreds of persons and received hundreds of recommendations. Some of them deal with Hamilton, others with Buttonville, Oshawa, and Pearson proper. We are in the process of reviewing these recommendations. Concerning the air traffic not only over Hamilton but also Toronto, I repeat what I said at the time, namely, that decisions will be made without delay on the basis of the air traffic situation as a whole.

[*English*]

DEREGULATION OF AIRLINE INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. The internal audit branch document is dated June, 1987, the same month that Bill C–18, the Act to deregulate air travel, was passed by this House. That Act was not proclaimed for another four months. The document went to the Deputy Minister. The Deputy Minister or one of his associates asked for a further review. That review came back saying that the document was basically sound.

• (1430)

I want to know why the Government did not put a hold on the proclamation of deregulation of air transportation until such time as it had the resources necessary to ensure it would happen in a safe way.

Second, I want to know, and the people of Canada want to know, what the Government will finally and specifically do to change the approach, to restructure the Department of Transport, so we have a safe air system in this country.

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, once again, it is not a matter of referring to a document as my colleague suggests. Even more so since he sent me a letter today on this question and he said in a press conference today that he would not raise the issue in the House. Well! Let us just say that it has always been the New Democrats' tactic to associate the deregulation of transport with safety. That has nothing to do with it. Canadians today are glad to have an air traffic system that makes air travel accessible almost everywhere in Canada. The industry has developed considerably and at the same time, we have maintained an excellent level of air safety. Last year, there were 5,600,000 take–offs and landings at Canadian airports with a minimum of accidents. I think that my colleague is really going out on a limb when he says now, despite what even the Liberal Party has said, that Canadian skies are unsafe.

[*English*]

REQUEST FOR MEASURES TO ENHANCE AIR SAFETY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question. It is incredible that a Government that was warned by the Opposition during the debate on freedom to move, during the debate on Bill C-18, that what it was doing would make travel less safe, should proceed as it did. The Government's own Department said the same thing.

What will the Minister do in a concrete way to make air travel safer in this country?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I tried to explain to my colleague—and I think that the Hon. Member for Thunder Bay—Atikokan is acting honestly—what resources we had available for aviation safety. I should tell him that since 1984, the Government has, among other things, invested billions of dollars in upgrading the radar control system. We in Canada will have one of the most "state-of-the-art" systems in the world, with the best technology. We now have extremely qualified pilots, controllers and other personnel. Once again, Mr. Speaker, as I have always said, I repeat that air safety exists in Canada, but I also said that we have met everyone who could help us improve it and we will meet with them again. So, once more, I repeat that air safety exists in Canada, as my friend very well knows.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE PRESIDENT OF THE REPUBLIC OF COSTA RICA

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of His Excellency Dr. Oscar Arias Sanchez, President of the Republic of Costa Rica.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MANITOBA MINISTER OF HEALTH

Mr. Speaker: I also wish to bring to the attention of Members the presence in the gallery of the Hon. Donald Orchard, Minister of Health for the Province of Manitoba.

Some Hon. Members: Hear, hear!

REGIONAL DEVELOPMENT

ERDA—FUNDING IN ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I have a question for the Prime Minister. It concerns the Speech from the Throne.

After four months of uncertainty, the people of Atlantic Canada and, indeed, all regions of Canada waited for the Government to state quite clearly its full commitment to regional development programs. But, on Monday, after 11 pages of rhetoric and thousands of empty words, there were four letters that the people of Atlantic Canada were waiting for but did not find. Those four letters are ERDA, Economic and Regional Development programs.

Some Hon. Members: Oh, oh!

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. MacDonald: While I have the attention of the Government, Mr. Speaker, I suggest perhaps it would add in that word in the next Speech from the Throne, and maybe the Prime Minister could answer a question concerning its absence.

Will the Prime Minister please give the assurance to this House, to the people of Atlantic Canada, and to the Premiers of Atlantic Canada that his Government will continue to pursue the ERDA process and that he will immediately remove the freeze which his Ministers have put on that program?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, while the Hon. Member was preparing his question he ought have been in the House where he would have heard the Prime Minister say, just a couple of hours ago, that the Atlantic Canada Opportunities Agency for the Atlantic region, the Western Diversification Office for Manitoba, Saskatchewan, Alberta and British Columbia, FEDNOR for northern Ontario, and our programs for Québec will all have their funding continued for the next five-year planning period.

Some Hon. Members: Hear, hear!

GOVERNMENT COMMITMENT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, when the Prime Minister was in Nova Scotia and announced the formation of the Atlantic Canada Opportunities Agency, he took great pains to tell the people of Atlantic Canada that this was new money and it was in addition to established programs funding, such as the Economic and Regional Development Agreements on which Atlantic Canada, northern Ontario and western Canada depend.

Is he prepared to say in this House today, as he said when he announced ACOA, that the Government is still committed to the economic regional development process to help wealth creation and distribution in this country?

Mr. Crosbie: Why are you so against it?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it will be in tomorrow's *Hansard* twice. The Prime Minister said it earlier today. I repeated it by quoting from the Prime Minister's speech.

Ms. Copps: It is a different program.

Mr. Andre: This Government is committed to co-operative economic regional development programs. I do not know how the Prime Minister could have been clearer in his answers, Mr. Speaker.

* * *

AVIATION INDUSTRY

TWIN OTTER AIRCRAFT PRODUCTION

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the same Minister, the Minister of State for Science and Technology. The Twin Otter aircraft has been a truly remarkable Canadian success story. Since 1966, 844 have been produced in Canada. It has made Canada a world leader in STOL technology and in transportation in remote regions throughout the globe. When the Government sold off de Havilland—

Some Hon. Members: Question!

Mr. Peterson: —in 1986—

Some Hon. Members: Question!

Mr. Peterson: —it did not exact one single guarantee for the ongoing production of the Twin Otter in Canada.

My question—

Some Hon. Members: Hear, hear!

Mr. Peterson: Is the Government prepared to assure Canadians that it will take steps necessary to ensure the ongoing production in Canada of the Twin Otter?

Mr. Crosbie: What about the Beaver? I support the Beaver.

An Hon. Member: What about the Kittyhawk? Should we go back to producing it again?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, there is no question that the Twin Otter has been a remarkably successful aircraft. They have been produced in large numbers and they are flying all over the world, but so have a lot of other aircraft. The DC-3 was a successful aircraft. But technology has changed. We are into the modern era. There are new airplanes based on the Twin Otter model that are being produced.

If, in fact, there were a market for the older style rather than the newer style of aircraft, I am sure de Havilland would continue to produce them.

BOEING TOOL DESTRUCTION ORDER

Mr. Jim Peterson (Willowdale): Mr. Speaker, the report commissioned by the Government from Burns Fry has indicated to Canadians that there is a global market still for the Twin Otter.

• (1440)

There are Canadian firms that are prepared to produce the Twin Otter in Canada. The problem is the following. Boeing has issued an order for the destruction of all the tooling necessary to produce any more Twin Otters. Canadians do not want to see the Twin Otter go the way of the Avro Arrow.

Is the Government prepared to intervene today, immediately, and stop that tool destruction order that is being put in force by Boeing?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): A few years ago the Government of Canada was running two airline manufacturers and the taxpayers of Canada were pouring in billion of dollars of subsidies.

Now that they are in the private sector both situations have improved remarkably. The taxpayers are no longer subsidizing the way they were in the past. The Hon. Member is suggesting that we return to those bad old days.

If he knows of private companies that want to continue the production of this aircraft, and they are going to do it with their money and not with the taxpayers' money, then certainly they could make a deal with de Havilland and continue that production. We have not forbidden that activity. They are free to go ahead and do that.

REGIONAL DEVELOPMENT

ERDA AGREEMENTS—FEDERAL FUNDING

Hon. Edward Broadbent (Oshawa): My question is directed to the Minister answering questions on regional development. He asked a minute ago how it would be possible to be more specific about regional development funds. I want to give him an opportunity to be more specific.

I listened with interest to the Prime Minister's speech this morning, and what he had to say about funding for ACOA and the Western Diversification Fund. He stated that the funds for those programs would be maintained. He did not mention the ERDA Agreements.

In western Canada there are 39 such agreements, and 16 of them have lapsed; in Atlantic Canada there are 46 agreements, and 24 of them have lapsed. That is different funding from what the Prime Minister spoke about this morning.

Will the Minister guarantee the people of western Canada and Atlantic Canada that the funding equivalent for those ERDA Agreements that have been lapsed will be maintained in the coming years?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Prime Minister clearly indicated that the funding for all the programs that the Government had put in place over the last three years will continue for a five-year period.

As a Government we have clearly committed, and we remain committed, to the idea of joint development arrangements with our provincial partners.

The question the Hon. Member is asking me about the details in terms of dollars and cents will have to await the Budget.

SYSCO STEEL

Hon. Edward Broadbent (Oshawa): I say to the Minister that I am interested in details, and the people of western and Atlantic Canada are also interested in details.

Earlier the Prime Minister, and the Minister who quoted him, did not mention the ERDA Agreements. That is what I am asking about. He mentioned a specific agency in western Canada and a specific agency in Atlantic Canada that have quite different budgets independent of the ERDA Agreements.

The Premiers in western Canada and Atlantic Canada are concerned about ERDA Agreements.

In February of this year the United States Government made a ruling in terms of the trade agreement against Sysco Steel, in part based on the specific inclusion, and I have it here for the Minister if he is yelling. The specific inclusion of the ERDA Agreements is one of the reasons these have not been renewed. That case has already been made in the United States against ERDA Agreements.

If it is not so, what action has the Government taken to re-establish the full legitimacy of the Sysco program?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I hate to repeat the arguments that were made ad nauseam during the election campaign.

Our regional development programs are not threatened by any Free Trade Agreement. Last year, next year, any particular situation can be challenged in respect of whether or not it represents a trade subsidy. The Free Trade Agreement has not changed that one bit.

This Government remains committed to joint economic development arrangements with our provincial partners. We do not necessarily mean committed to every—there may be some changes—

Some Hon. Members: Oh, oh!

Mr. Andre: If the Hon. Member has the patience to wait three weeks he will see the Budget from my colleague, the Minister of Finance, and then he can make his judgments.

Mr. Broadbent: The people of Atlantic Canada and western Canada have already had imposed upon them a high interest rate policy designed for inflation in Toronto. They want guarantees that they are going to have the same money for regional development, and they want them now.

[*Translation*]

REGIONAL DEVELOPMENT PROGRAMS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, during the election campaign, the Prime Minister promised that regional development programs would not be affected by the Free Trade Agreement. The Americans decided otherwise. In February, they made a decision that went against our regional development programs.

Is the Minister prepared to guarantee this decision will not have a negative impact on these programs in the future?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the answer is yes. These economic regional development programs are not challenged or affected by the Free Trade Agreement.

This Party, this Government, has demonstrated in a tangible manner more commitment to the regions of this country and to their economic prosperity than any previous Government. We remain committed.

* * *

ENVIRONMENTAL AFFAIRS

STEETLEY QUARRIES – REQUEST FOR INVESTIGATION UNDER ENVIRONMENT PROTECTION ACT

Mr. Geoff Scott (Hamilton—Wentworth): My question is for the Minister of the Environment. In my riding we have an environmental time bomb that is waiting to go off, and last week it almost did. We had the evacuation of 75 to 100 families as a result of a mysterious fire at Steetley Quarries.

In view of specific mention in the Speech from the Throne that the federal Government intends "to further the process of cleaning up dangerous land sites", and because many of my constituents are outraged about an earlier history of PCBs stored at that site, and they are worried about Steetley's extremely cosy reationship with Ontario's provincial authorities responsible for guarding the public interest in connection with the site, will the Minister consider invoking Section 108 of the Canadian Environment Protection Act to determine precisely what sensitive toxic materials Steetley has been dumping, burying, and burning on the escarpment?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am pleased to advise the Hon. Member that happily the new federal law on the environment provides a way to cope with this type of question.

Section 108 of this law authorizes any two persons who are residents of Canada to petition the Minister to trigger an investigation into any alleged impropriety. The only thing to do is get such a petition, and I will be happy to respond to it.

[*Translation*]

THE ENVIRONMENT

BELGO PLANT – REQUEST THAT PROVINCIAL JURISDICTION MEASURES BE TIGHTENED

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, for the information of the Leader of the Opposition whose comments a few minutes ago were somewhat confused when he mentioned the name of the town of Shawinigan for the first time in his life, and considering the fact that the Belgo plant in Shawinigan comes under provincial jurisdiction and the fact that the St.Maurice River is also under provincial jurisdiction, could the Minister of the Environment ask his provincial counterpart whether her province's environmental regulations could be applied more strictly in the case of the Belgo plant in Shawinigan?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, as I had the privilege of stating earlier in my reply to the Leader of the Opposition, I have already been in touch with my counterpart, the Quebec Environment Minister. I will be discussing the situation with her later today, and I may add that Canada's new environmental legislation has expanded the role of the federal Government and the Department of the Environment. Today, on the basis of the new regulations, we are able to intervene to punish the reprehensible acts that constitute a violation of these regulations.

* * *

HOUSING

MINISTER'S INFLUENCE

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of State for Housing. The Minister's appointment has raised many hopes and expectations. Unfortunately, these hopes have been dashed by the complete absence of any reference to housing in the Throne Speech. This is a matter of renewed concern for Canada's 100,000 homeless and for low-income Canadians who want decent housing.

My question is as follows: Are we to conclude that the Minister has no influence on his cabinet colleagues or should we conclude that the Minister's appointment was merely a way for the Government to stop his questions and criticism in the House, in other words, keep him quiet?

• (1450)

[*English*]

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I am pleased to hear that the Hon. Member shares with me my concern and that of the Government with the housing crisis, the housing problems in Canada. He also shares the concern with the housing problems of low-income Canadians.

I think he will agree with me that the appointment by the Prime Minister of a Minister solely responsible for nothing but housing is an indication of the priority this Government places on the subject.

Some Hon. Members: Hear, hear!

Mr. Redway: If the Hon. Member will cast his memory back to the last Speech from the Throne he will know that there was nothing in it with respect to the release of the Downsview Airport land either. In fact, it was released. We will be proceeding with other measures to improve housing for Canadians.

CONSTRUCTION OF HOUSES ON DOWNSVIEW SITE

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, perhaps the Minister will allow me to ask him a question about the Downsview lands.

On December 15 last this Minister, then a back-bencher, asked a question in relation to housing on the Downsview site. It is not surprising that the answer coming from the then Minister was far from satisfactory. Therefore, will this Minister now give us a response to his original question which demonstrates the understanding and the compassion that the previous Minister was simply not capable of giving?

Some Hon. Members: Hear, hear!

Mr. Martin: Will he tell us the precise date upon which we will see housing being built on this site? Will he confirm that much more than 25 per cent of the site will be made available for affordable housing for seniors and the handicapped?

Some Hon. Members: Hear, hear!

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I can tell the Hon. Member that we are proceeding as quickly as possible with the development of the site.

Some Hon. Members: Oh, oh!

Mr. Redway: First, we are dealing with the Department of National Defence to shift the defence housing that is currently on the site on to another part of the site. Second, we are proceeding to put in place with the Municipality of North York a development agreement in order to put housing on the site just as quickly as we possibly can.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT EQUITY

VISIBLE MINORITIES—REQUEST THAT LEGISLATION BE AMENDED

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Employment and Immigration. On March 21 the Canadian Ethnocultural Council published a report indicating that the employment equity legislation was not working and that visible minorities are still seriously under-represented in major corporations under federal jurisdiction. The CEC studied 16 companies. Only three of these had acceptable records. A December report of her own Department made similar findings.

Considering that there has been an unfortunate increase in Canada of racial incidents in recent months will the Minister now agree to amend the employment equity legislation to apply sanctions against those firms which fail to obey the law?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): I want to thank the Hon. Member for his interest in a social measure our Government introduced in 1986. Ninety-six per cent of the companies affected by this measure have submitted their reports, which proves the measure was both important and necessary. However, need I remind the Hon. Member that since we are working with people, there is always room for improvement!

[*English*]

REQUEST THAT ALL GOVERNMENT DEPARTMENTS BE INCLUDED IN LEGISLATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, that answer is totally unacceptable. Of course in the employment equity legislation the only thing the companies have to do is report. They do not have to show any progress. They really do not have to implement employment equity legislation. There should be sanctions in that legislation.

Another recent report shows that visible minorities are less than 1 per cent in federal government Departments when they should be more than 6 per cent. It is difficult for the Government to preach to the private sector when its own record is bad.

Will the Minister now in these circumstances amend the employment equity legislation to cover all federal government Departments so they will have the same requirements as the private sector even though she is not enforcing them against the private sector?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the Government introduced a measure that had never existed before. I am referring to our Government, the one I represent. We submitted a report. Progress has been made but there is room for improvement. Sanctions have been imposed on companies that failed to comply with the legislation, and of course we intend to comply with the legislation and enforce it.

* * *

[*English*]

EXTERNAL AFFAIRS

NAMIBIA—ACTIONS OF UNITED NATIONS PEACE FORCE

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs who until now seems to have accepted the South African version of the bloody slaughter in Namibia. Is the Secretary of State now prepared to admit that the South African story was too hastily and tragically accepted by a UN contingent because the actions of the Security Council, of which Canada is a member, were too inadequate, too badly organized, too badly led, and too badly intimidated to act effectively?

Will he also admit that the process in Namibia has from the beginning been flawed in allowing the South African Government to manipulate events down there? Is it not about time something was done to straighten up that mess?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, unfortunately the Hon. Member's rhetoric gets ahead of the facts. He is asking this House to suggest that the Namibia peace plan, which I had thought we all hoped would succeed, is a fraud. I do not regard it as a fraud.

Mr. Riis: He did not say that.

Mr. Clark (Yellowhead): I regard it to be something that is very gravely threatened now by events in southern Africa. It seems to me that it is the job of this country, and it should be the determination of Members of the House, to do everything we can to ensure that all parties—SWAPO, South Africa, and anyone else involved—respect the agreement so that we can get on with keeping peace in Namibia and in southern Africa. That is what we are trying to do. I had hoped that we would have the co-operation of the Hon. Member in doing that.

Some Hon. Members: Hear, hear!

ROLE OF CANADA IN SECURITY COUNCIL

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, the Secretary of State for External Affairs dishonours himself and this House by using words that I did not use.

Some Hon. Members: Hear, hear!

Mr. McCurdy: The Speaker will know that this Government abdicated its responsibility as a member of the contact group, allowed the UN Council on Namibia to be excluded from the peace process, and was a participant when inadequate troops on behalf of the peace-keeping forces of the United Nations were sent to South Africa. My question to him is simple and straightforward.

Is the Secretary of State prepared to act in the Security Council to ensure that the peace accord, including the elections, is fairly and equitably implemented? In particular, will he demand and assist the rapid deployment of the 7,500-person peace force that was supposed to have been sent there rather than the 4,500 that are not there yet?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if I misquoted the Hon. Member I will certainly apologize for that. The record will show whether in fact he called the peace plan in Namibia a fraud or not. There were problems with the development—

Some Hon. Members: Flawed!

Mr. Clark (Yellowhead): There were problems, Mr. Speaker, with the development of that process. Those were problems that Canada acted on very vigorously at the time to try to resolve. Among the ways in which the problems involving the setting up of UNTAG was resolved was to get an agreement—and Canada was instrumental in getting that agreement—that the Secretary General, if he believed it was necessary, could recommend to the Security Council that there be an

increase in the number of the UNTAG troops up to the figure that had been agreed upon some several years ago. That was a provision that proved to be acceptable to all members of the Security Council.

We are not here debating history. Surely, our preoccupation has to be how do we repair a peace operation that is going badly in Namibia now? The preoccupation of this Government has been to try to get more troops in quickly. We have already urged more deployment. We have already indicated that in addition to the Canadians who are already there we are prepared to send Canadian troops in more quickly, if that would be helpful. We are looking at other ways in which we and other countries which are participating in UNTAG might help to speed up the deployment.

This is a serious problem. It should not be treated trivially or for partisan reasons in this House. Surely we all have a determination and obligation here to try to make the UN peace plan in Namibia effective, a plan on which Canadians have worked so long.

Some Hon. Members: Hear, hear!

* * *

• (1500)

MOTION TO ADJOURN UNDER S. O. 52

RAFFERTY-ALAMEDA DAM CONSTRUCTION PROJECT—SPEAKER'S RULING

Mr. Speaker: Earlier today, the Hon. Member for Winnipeg Transcona (Mr. Blaikie) applied to the Chair for an emergency debate involving a proposed operation on the Rafferty-Alameda part of the Province of Saskatchewan. His concern was, of course, that some people have wanted a federal environmental assessment review project done before construction begins. It is of course a matter of interest and concern to all Members of the House that I have to say to the Hon. Member that it does not come within the proper terms of the rule for an emergency debate, at least not at this time. I also want to say to the Hon. Minister of Justice (Mr. Lewis) that I indicated that as a consequence of his request to the Chair earlier today, I would come back to the House at an appropriate time and discuss very briefly the guidelines that exist for the introduction of an emergency debate, and I will do that, but I would prefer to do it perhaps later this week.

I should advise Hon. Members that I have a joint application on a question of privilege from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and the Hon. Member for Kingston and the The Islands (Mr. Milliken). I will hear the Hon. Member for Kingston and The Islands.

PRIVILEGE

GRANTING OF SUPPLY

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, to say that I am pleased to rise on this question of privilege today would not be accurate, but I feel it is incumbent on me to raise this issue before the House because I think it is a very serious question of privilege that affects the rights of all Hon. Members. To state the point very succinctly, it is my position that our privileges as Members have been breached in that we have been denied our ancient right to grant or withhold supply.

I say that, Mr. Speaker, because this is a right that is held by all Hon. Members of this House of Commons, and it is one that has been held from the very earliest times. Over hundreds of years, Mr. Speaker, the parliamentary system has evolved a series of rules for dealing with the business of supply and the right of the House to control that business.

The law in this regard is clearly stated in the Financial Administration Act, and I would like to read, Mr. Speaker, Section 26 of that Act which states the following:

> Subject to the Constitution Act, 1867 to 1982, no payment shall be made out of the Consolidated Revenue Fund without the authority of Parliament.

The right of Parliament to control finances of the country have been undoubted and has been written upon by many of the learned writers on parliamentary law. I would like to cite a couple of the authorities. I refer to Bourinot's Second Edition, and I am using an older edition because I want to indicate the ancient nature of this right. On page 543 the author states:

> The principal purpose of the House of Commons, in fact, is the consideration and criticism of the estimates and the taxes required to meet the public expenditures; and the committees in question—

Here he is talking about the committee of Supply and the committee of Ways and Means.

> —and the committees in question are the parliamentary machinery by means of which the House chiefly exercises its political and constitutional functions.

In other words, Mr. Speaker, there is nothing more fundamental to the operation of this House than the business of supply.

The point is further dealt with in a quote in Bourinot at page 546 and the learned author is quoting Erskine May, the Ninth Edition which was the last edition written by that learned parliamentary jurist. He says the following:

> The ancient constitutional doctrine that the redress of grievances is to be considered before the granting of supplies, is now represented by the practice of permitting every description of amendment to be moved on the question for the speaker leaving the chair, before going into the committee of supply or ways and means.

The next citation, Sir, that I rely on is in Beauchesne's Parliamentary Rules and Forms, the Fifth Edition, at page 181, Citation 539 (2) and the citation sets out the relationship, Mr. Speaker, between the sovereign and this House in matters relating to supply. It is very clear, and it says the following:

> The sovereign, being the executive power, is charged with the management of all the revenue of the state and with all payments for the public service. The Crown, therefore, acting with the advice of its responsible ministers, makes known to the Commons the pecuniary necessities of the Government; the Commons, in return, grants such aids or supplies as are required to satisfy these demands; and they provide by taxes, and by the appropriation of other sources of the public income, the ways and means to meet the supplies which they have granted. Thus the Crown demands money, the Commons grants it, and the House of Lords assents to the grants: but the Commons do not vote money unless such taxation be necessary for the Public Service, as declared by the Crown through its constitutional advisers.

That is the basic position that has been the law of this country since Confederation. It has been part of the constitutional law of the United Kingdom for over 400 years.

An Hon. Member: It is not in the Yellow Pages.

Mr. Milliken: The assertions concerning the right of this House to grant supply have been maintained on numerous occasions, and I would like to quote two very distinguished former Members of this House. Hon. Members opposite I am sure will be aware of at least one of these occasions because it was a famous occasion. I would like to quote from the Right Hon. William Lyon McKenzie King and on a particularly famous occasion on June 30, 1926 when he was asking certain questions in this House which caused acute embarrassment to my friends' predecessors. On page 5212 of *Hansard* for June 30, 1926, Mr. King said the following:

> I want this information before we vote public money to hon. gentleman who, in our opinion, are not entitled to spend one five-cent piece of the public money. I ask my hon. friend who is now leaving the House whether he has taken any oath of office this year.

Mr. Speaker, that quotation again indicates the ongoing nature of the right of this House to question supply proceedings and, indeed, Sir Henry Drayton who was answering as head of the Government at that time—the Government went down the next day, as you will know—indicated that he had no objection to Mr. King's statement of policy in that regard. It was unquestioned that in fact the House of Commons had the right to withhold or grant supply.

• (1510)

I quote another person, Sir, the Right Honourable John George Diefenbaker, when he was Leader of the Opposition. On October 21, 1963, on a motion that the House go into Committee of Supply which was the equivalent of our current day supply motions, he said at page 3823 of *Hansard* the following:

> Mr. Speaker, this is a traditional opportunity that is provided in the House of Commons for the bringing before the House of such matters as are of importance and deserve the consideration of the House. It is historic, it is traditional and it assures a privilege that is part and parcel of parliamentary government. It enables the house to give consideration to those matters which, in the opinion of its membership, have not been dealt with in a proper or expeditious manner. Furthermore, it enables the house, where amendments are moved, to judge the government of the day on the basis of any amendment or subamendment that may be put forward.

I probably do not need to refer to Standing Order 80(1), Mr. Speaker, but I will do so because it is so direct and it points again to the rights of this House in particular on this matter, and it reads as follows:

> All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift—

I stress the word "gift".

> —of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit, and appoint in all such bills the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

In the commentary in the new annotated Standing Orders which Your Honour tabled just yesterday in this House and which I think are excellent, it states the following, and I think it is very important:

> Section 1 of Standing Order 80, unchanged from Confederation, asserts the Commons' claim to pre-eminence in financial matters. The text copies a resolution from the United Kingdom passed in 1678—

Over 300 years ago, Sir.

> —and is based on section 53 of the Constitution Act, 1867, which states that 'Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons'.

I could go on reading the rest of the commentary but the point of the reference, Mr. Speaker, is to stress the authority of the House of Commons. That authority is asserted every time this House attends in the other place for the purpose of giving the Royal Assent to a money Bill. You, Mr. Speaker, on every occasion, when we attend there and Royal Assent is sought to a money Bill ask for that Royal Assent personally in these words. Perhaps I could quote Your Honour:

> May it Please Your Honour:
>
> The Commons of Canada have voted Supplies required to enable the Government to defray certain expenses of the Public Service.
>
> "In the name of the Commons, I present to Your Honour the following Bill—

Then you give the title of the Bill.

> —to which Bills I humbly request Your Honour's assent

Those words, Mr. Speaker, have been used since Confederation in the granting of Royal Assent to money Bills in this Parliament.

Mr. Speaker, what is the position that we find ourselves in today that has caused this problem? I refer again to Beauchesne's, page 167, Citation 476. The author here is discussing the Business of Supply. He says:

> The action taken by the House of Commons upon the request for aids and supply for the Public Service made in the Speech from the Throne, is for the appointment, pursuant to—

Now Standing Order 81(1)

> —of a continuing Order of the Day for the consideration of the Business of Supply.

What has happened in this particular case? I suggest that in every Speech from the Throne since Confederation, except for three, the speech has contained particular words, and those words have occurred at the end—or very close to the end—of every speech. I will read the words because they are instructive. The Governor General or the Sovereign always reads these. The words are as follows:

> Members of the House of Commons, you will be asked to appropriate the funds required for the services and payments authorized by Parliament.

The three Speeches from the Throne, Mr. Speaker, in which those words have not occurred are the following: First fall of 1930, which was a special session called by the then Prime Minister Bennett, to raise duties and excise taxes in Canada to protect us from the ravages of the Depression. The second was on December 12, 1988, when we were called to deal with one item of business, the Free Trade Agreement. And the third was on Monday, April 3, 1989, Mr. Speaker. There was no request in the Throne Speech on Monday that this House take on its constitutional responsibilities to deal with supply.

Mr. Speaker, it is unprecedented. Upon our return from the other place, following our attendance there for the Speech from the Throne, as recorded on page 5 of *Hansard*, the President of the Treasury Board, pursuant to Standing Order 81, moved: "That the House at its next sitting consider the Business of Supply." And that motion was agreed to on Monday of this week, Sir. Why did we move to consider the Business of Supply when no supply had been requested from Her Excellency, the Governor General, at the opening of the session? It was not on the agenda.

I suggest that the reason it was not included in the Speech from the Throne is that this Government did not know what it was doing. It has, in my submission, no appreciation of the constitutional niceties of this country. It acts without any sense, in my submission, of parliamentary propriety and it is ignoring the essentials of the Canadian Constitution in the way it has conducted itself.

The Government has chosen to ignore the privileges and rights of the Members of this House and it has chosen to help itself to the Treasury of Canada by passing Orders in Council and having signed Governor General's warrants.

This year alone, from the information I have obtained, three Governor General's warrants have been passed. The dates of those are January 19, February 16, and April 1.

This is, in my submission, Sir, unprecedented. Never before have the provisions of the Financial Administration Act relating to Governor General's warrants being used at a time when Parliament had sat following an election. Always, the right to appropriate to themselves the public moneys of Canada, by using Governor General's warrants has been exercised before during an election campaign or in the period following an election and before Parliament had been recalled.

The difficulty that the Government has found itself in, Sir, is particularly serious because of the passage on April 1 of an Order in Council permitting the issue of yet another warrant, and I suggest that it constitutes a flagrant abuse of the rights of this House.

We were here in December, Sir; supply could have been asked for, could have been sought and granted at that session or in the period following. Mr. Speaker, we adjourned until the beginning of April. We could have been called in March. Since 1950, Mr. Speaker, this House has sat in March for a considerable period of the month of March in every year except three: In 1958—and my friends opposite will recall that there was an election campaign going on in the country that year, which ended on March 31. In 1963 there was another election campaign which ended more happily.

And in 1980 an election had just ended the previous month and so the House had not yet been recalled. Only on those three occasions, since 1950, has this House of Commons not sat during the month of March. We could have been recalled in the month of March to deal with the Business of Supply and to see that the Government got the money to which it was entitled after due consideration and after an opportunity for the Members of this House, Sir, to present their grievances. But I submit that in its abuse of the intention of the Financial Administration Act which was not to permit this wholesale plundering of the Treasury, the Government is attempting to take unto itself the power to spend the public money without recourse to Parliament.

• (1520)

And that, Sir, comes from a Party which has always claimed to be a stout defender of this institution. By scooping this money from the public purse without the authority of this House, Mr. Speaker, I say that the Government has tampered with the tax dollars that it has extracted from Canadians in an improper manner and it has violated the essential privileges of every Member of this House.

Mr. Don Boudria (Glengarry—Prescott—Russell): Thank you, Mr. Speaker. I want to join in raising this issue, that a letter was jointly signed by my colleague, the Hon. Member for Kingston and the Islands and myself. I want, first, Mr. Speaker, to state that I feel we have a *prima facie* case of privilege, and if you agree with us that we do, then I am willing to move the motion necessary to refer this to the appropriate committee.

Mr. Speaker, of course you will be aware that the parliamentary privileges of Members of this House, as defined by Erskine May in his 20th Edition state that parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the high court of Parliament and by Members of each House individually, without which they could not discharge their function.

Now, Mr. Speaker, I think it is important to note—and the Government across will presumably state in defence of the issue before us today—that the Financial Administration Act, in their view, enables them to do what it is that they have done over the last few months, which is to seek Governor General's warrants on three occasions since January 1.

While the Government could make a case for two of those Governor General's warrants, Mr. Speaker, it certainly has no legitimacy at all in making this kind of justification in the third case, which is the warrant that was sought in the period after April 1, after the fiscal year had terminated.

Now, Mr. Speaker, Order in Council 1989—545 was dated April 1, 1989, and it authorized the Government to spend some $6.2 billion, those funds to carry it through for the next 45 days. I should say that is an amount of up to $6.2 billion, because of course the Government could choose to raise less than that amount if it so wished.

Now, Mr. Speaker, under Section 47 of the Financial Administration Act, the government has also borrowed $1 billion of those dollars. Not only, of course, have they spent the dollars in question, but they have had to borrow $1 billion of those dollars. The issue that is important here, Mr. Speaker, is that the Government, in 1985 or so, invoked that the privileges of this House had been abused by the fact that the Senate was delaying an Appropriation Bill at that time and that in turn caused the Government to have to borrow on short-term notes at higher interest rates.

It is interesting to note, Mr. Speaker, that these latest funds borrowed under Section 47 of the Financial Administration Act, were borrowed in exactly the same manner as those funds that were borrowed in the past and for which the Government claimed that it was having to borrow in a manner which was inappropriate and only to be used in an emergency, that emergency allegedly having been caused by someone else.

Now, Mr. Speaker, the Governor General's warrants have not been used very many times since Confederation. I should note that we are the only country in the Commonwealth that still has such an instrument. Indeed, Mr. Speaker, in the British House of Commons, if the House were defeated on a motion of want of confidence, it would meet the next day and vote hold supply for the government to last for the electoral period and a sufficient amount of time afterwards in order to have a quick recall of Parliament so that Parliament could then exercise its traditional role of granting or denying supply.

Now, Mr. Speaker, there are only 10 occasions this century in which supply was given or granted to government by way of a Governor General's warrant. On every one of those occasions, supply was sought to cover the period immediately after the election. At this time the Government argued that it did not have sufficient time to recall Parliament.

That argument was sometimes made by the Opposition, be it Conservative or Liberal Opposition, that the Government indeed did have sufficient time. I remind you of the 1979 election, Mr. Speaker, in which the Government took a particularly long time to recall Parliament and then, of course, in the interval it did not have the funds necessary to operate.

This particular issue is without precedent simply because Parliament already had sat and the only reason that Parliament did not give supply to the Government is that the Government never sought supply from Parliament. Not only that, Mr. Speaker, but as my distinguished and learned colleague has indicated, it has failed to seek supply on two separate occasions.

The new annotated Standing Orders provided to us—although, of course, the only official version is the green version we have—are the version that the Government was showing in the House a few moments ago as the ideal source of reference from which to argue these points. I bring to the attention of the Government House Leader that it states very clearly under the explanation note to Standing Order 81 that: "At the commencement of each session the House shall designate by motion a continuing order of the day for the consideration of supply". It states further that this particular provision is there because of the convention that has always existed whereby in the Throne Speech you find the phrase that my distinguished colleague raised with you a little earlier, whereby the Governor General states that you will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

I submit to you, Mr. Speaker, that the actions of the Government in this particular case were not only erroneous in the fact that they sought to gain funds to operate the Government by Governor General's warrant in the new fiscal year, which it they cannot possibly legitimize under either the Financial Administration Act or any of our conventions—and no Estimates, of course, but they fail as well, Mr. Speaker, and I think more importantly, in not requesting supply in the traditional way.

I want to conclude, Mr. Speaker, by bringing to your attention excerpts from the *Encyclopaedia of Parliament, 1972* by Philip Laundy—a person that we all know. Mr. Laundy states the following at page 609 of that document: "The House of Commons has exclusive control over financial business and all financial legislation. . .". He continues: "The House of Lords is not empowered to amend a money Bill. . ." He states further: "The granting of public money and the imposition of taxation are strictly the functions of Parliament,. . .". They are strictly the function of Parliament, Mr. Speaker, and I think that you will want perhaps to review that document when you arrive at your conclusions.

Now, Mr. Speaker, in closing I just want to bring to your attention the fact that several authorities in parliamentary matters have discussed this issue in the past. Indeed, it was Senator Eugene Forsey who, upon several occasions, raised this issue in the Senate saying it was inappropriate for Parliament to be dispensed with in such a cavalier manner by the Government, that Parliament in fact should be granted its traditional role to grant or deny supply to the Government.

If there ever was a justification to use the Financial Administration Act this certainly is the case, Mr. Speaker. In fact, the only example in which the Financial Administration Act was used outside of an electoral period was to repair the roof of the first Parliament Building in the 1890s, and at that time the session was so short that it was impossible to recall Parliament in order to vote the funds to fix the roof. So the Government sought at that point the Governor General's warrant to do so.

• (1530)

I do not know if there is any leak in the roof up there on the Government side, but I submit that in modern times such as these in which we live, there is very little excuse at any time to use a Governor General's warrant, and perhaps we should seriously consider abolishing that kind of an instrument from our Financial Administration Act. Notwithstanding the fact that I recognize that it is there, that provision of the Financial Administration Act was never meant to supersede the traditional role and duties of this Parliament. We have a right not only to grant or to deny supply but we have a right to air the grievances of Parliament and the grievances of the people of Canada prior to granting or denying that supply.

In this particular period, $6.2 billion has been raised and $1 billion has been borrowed without asking the consent of this Parliament. I think that after examining this, you will find that we indeed have a *prima facie* case of privilege.

Mr. Speaker: I will hear the Hon. Member for Kamloops (Mr. Riis) in a moment, but before moving on to the Hon. Member for Kamloops, I wonder if I could ask the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) or the Hon. Member for Kingston and the Islands (Mr. Milliken) if, in the extensive research which they have obviously done, they have been able to determine when historically the first Throne Speech appears.

Second, can they advise the Chair as to whether that Throne Speech was prepared by the Commons or prepared the King's Council. It may take a little while to find that information, but I would like to have it.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I suppose I am pleased to participate in this debate on this important matter, though, as others have indicated, I would prefer not to even have this discussion.

I think what has been raised today is obviously fundamental to what we do here. This is one of those rare occasions when general members of the public bring to one's attention what they believe is an impropriety of the way Parliament is conducting its business. I must say that while we were awaiting the recall of Parliament, a number of constituents brought to my attention the fact that the Government was in fact using Governor General warrants. They did not refer to it as that, but through the short news reports they read, they were wondering if this was an appropriate way for Parliament to proceed.

As previous speakers have indicated, and I do not plan to go over the material which they presented extremely well, the fact is that the Government has now obtained in excess of $6 billion though the use of Governor General warrants when in fact Parliament could have been sitting and should have been sitting. As a matter of fact, you will be aware, Mr. Speaker, that a number of Members actually called to your attention the need, in their opinion, for the House to resume.

We as parliamentarians all understand that the fundamental task before us is to examine carefully the way the Government uses, or in some cases, some of us would believe misuses, the taxpayers' money. That is our fundamental task. That is why we have been elected from our various constituencies.

At this time, it is appropriate that we examine carefully and either grant or withhold supply. Most of us look forward to that process. As a matter of fact, the House Leaders met to arrange at least for the remaining part of this session ways and means of dealing with supply to get around some of the problems we face because of the summer interruption. We take our jobs very seriously in this respect.

As the others have indicated, we have seen the Government spending public money without the authority of Parliament when there is no reason for it. We understand that in the past, Governor General warrants have been used, but there has been a point with one exception, and that was, of course, when the House was simply unable to be called and to have called the House would perhaps have been inappropriate, but such was not the case during this interval.

I think this is a very serious issue, serious enough that one's constituents bring it to one's attention. I only regret that I had not raised this earlier, but I am pleased that my colleagues in the Official Opposition have done so.

Consider that in this century, this action has been taken only 10 times. I think we must ask ourselves as Members of Parliament, if this procedure, this process, is not concluded, and the Government feels it quite appropriate to simply not have Parliament sit and to use Governor General warrants to obtain the necessary funds to enable it to fulfil its obligations as it sees them, parliamentarians would not be in a position to examine carefully the items of supply before the various Standing Committees.

I simply conclude by saying that I join with my colleagues from the Official Opposition. I believe it is a very serious violation of the privileges of every Member and a violation of the tradition of Parliament as we have come to know it in Canada. I join with them in asking you to give this very serious consideration, which I know you will. Quite frankly, I look forward to listening to the Government House Leader explain why he feels it is appropriate that once again, and I hate to have to say it, the Government is abusing the traditions of Parliament and the privileges of Members of Parliament.

Mr. Speaker: Before hearing the Hon. Minister of Justice (Mr. Lewis), perhaps the Hon. Members who have spoken might be of further assistance to the Chair. I would like their view as to exactly at what point the expenditure of public funds becomes legitimate, if one accepts the premise of the argument that is being put to the Chair. In other words, let us assume that the House comes back as it did on April 3. Are Hon. Members then saying that the Government cannot spend money between April 3 and until such date as committees have considered estimates and they have been passed by the House, or is there some other way that the Government can deal with that period which would be a hiatus period, if the argument Hon. Members are putting forward is valid?.

I ask that because I am trying to see clearly the point that is being made. Certainly the fundamental principle that the Hon. Member for Kingston and the Islands (Mr. Milliken), the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and the Hon. Member for Kamloops (Mr. Riis) have put forward is an ancient one. I think it goes almost without saying, but in trying to deal with the situation now, the Chair may need a little bit of practical advice as to just how a Government would deal with the situation, if it did not use the Financial Administration Act.

Mr. Boudria: Mr. Speaker, perhaps I could assist the Chair in submitting to you that one will not object, at least I will not object, to the fact that the Government has to spend money in order to continue the operations of the Government during an electoral period, and it has to do that without seeking the advice and consent of Parliament. We could argue, I suppose, philosophically, that we should meet for a number of hours immediately before declaring an election or immediately after it is declared in order to grant supply. I suppose there is a philosophical case to be made for that, but I think that is a point which we could debate when making proposed changes to the Financial Administration Act at some point in the future.

However, that is not the most fundamental point that my colleagues and I were trying to bring to your attention today. It is the immediate one of the use of Governor General warrants. You see the Government had obviously sought Supply for a period of time last summer. It received that Supply, voted by this House, granted later by Her Majesty's representative. What we are objecting to is that after the electoral period, after a reasonable time to recall Parliament, the Government did not choose to ask for Supply. Not only can that case be made but it goes even further, Mr. Speaker. Parliament was recalled. Parliament sat. The Government not only did not seek Supply by way of a Bill, the Government did not even include the traditional motion asking for Supply in the Throne Speech.

• (1540)

Parliament adjourned in December. It could have come back after New Year's some time in order to grant Supply to this Government again. Parliament was not recalled. As a matter of fact, it was prorogued only to return after the fiscal year had ended. Having done that, returned once the fiscal year had ended and a new year had commenced without any funds to operate the Government, then the Government in the new Throne Speech failed again to ask the traditional request of being granted Supply for the purposes of administering the Government.

In fact, it is not the philosophical issue at this immediate moment that we are arguing of doing away with the use of Governor General warrants pursuant to the Financial Administration Act, although we could make that case in the future, it is the misuse of that portion, misuse in such a way that it has denied this Parliament of its fundamental rights and obligations to decide whether or not this Government should have funding and to be able to air the traditional grievances of the citizens before making that decision. That is the right that has been taken away from us. It has been taken away from us by the inaction of the Government in failing to ask for Supply by the inaction in the Throne Speech, by the Government's failing to ask for a money Bill last fall and by the Government failing once again to ask for Supply in the April 3 Throne Speech. There is a further case that the Government deliberately prorogued Parliament rather than recalling it for the purpose of having Parliament deal with the issue of Supply.

That is really the immediate issue that we are bringing to you attention, Mr. Speaker. It is the use or misuse of the Financial Administration Act in a way which is contrary to rights and privileges as parliamentarians.

Mr. Milliken: Mr. Speaker, to answer the question quite directly on a specific means by which the Government can obtain Supply, I would suggest that it would be open to the Government if it had not scooped the money out of the Treasury already to introduce an interim Supply Bill. In this House this used to be the standard practice. The Government could have done it by calling us last week asking for an interim Supply Bill even before the Speech from the Throne had been dealt with and got it through in a day. Instead of that, the Government chose to wait until after the financial year had begun, called Parliament then and, in effect, trampled on the rights and privileges of the Members of the House.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I realize there are Members who wish to speak in the Throne Speech debate, I will be very brief and stick to the rules.

Mr. Speaker: Perhaps I can help the Minister because I have taken a little time myself in asking some questions. I think I have the point.

I would be very pleased to hear the Minister but I do not think he has to go on overly long.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Lewis: I got so wrapped up in this, I actually started reading into the books, Mr. Speaker. Let me do this very quickly. Now that we have decided what the burning issue in Kamloops was during the recess, Governor General warrants, let me say this. I think that we have had an interesting debate in the wrong place. First, privilege has to be raised at the first opportunity available. Since this is day four, let us rule out day one. The matter should have been raised on either Tuesday or Wednesday.

Mr. Milliken: It was.

Mr. Lewis: It was not raised on either of those days.

Mr. Milliken: I gave notice.

Mr. Lewis: It was not raised in the House. The Hon. Member simply waited for an appropriate time or perhaps time to get his act together. Two, as I read the *Annotated Orders* at page 160, it is usually a brief, presentation as to why the Speaker should rule that a *prima facie* case exists.

I would like to refer hon. friends to *Hansard* of April 5, 1989, in which a motion was passed with the consent of all members of the House which said "that the Supply proceedings for the 1988 calendar year be subject to the following provisions".

Surely if my hon. friends had a dispute with the way Supply was being dealt with, that was the time to raise this very burning question of privilege, not two days later. First, they were late in submitting it and my hon. friends participated in the unanimous consent in the House for that particular motion.

I submit, and this has nothing to do with the question of privilege, but it was the argument raised during the question of privilege that the Financial Administration Act has three requirements for the issuing of warrants, and all of those requirements have been met. One, Parliament was not in session when they were issued. Two, a payment was urgently required for the public good. Three, there was no other appropriation from which the payment may be made.

I submit to you, Mr. Speaker, that there is no case of privilege. Even if there were it was too late. It was too late because my hon. friends participated in the House order which decided the matter.

In view of your very interesting admonition, I think that will close my argument.

Mr. Speaker: I thank the Hon. Minister of Justice. The Hon. Member for Windsor West (Mr. Gray).

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to deal very briefly with the point that I understand the Government House Leader to be trying to make that the question of privilege has been raised too late.

Let us look very quickly at the sequence. The Throne Speech was read Monday. It was published in *Hansard* Tuesday. Notice was given yesterday. Under those circumstances I think it could well be argued that we have raised the matter in a very timely fashion. Furthermore, if it had been possible to raise the matter earlier, the effect would have been to act in a rather discourteous manner, first, to members of the government Party who moved and seconded the Address and Reply to the Speech from the Throne, and, second, the House Leader's own Party Leader, the Prime Minister (Mr. Mulroney). I do not think that our ability to argue and to have considered the point of privilege in question should be prejudiced in any way through our willingness to deal in a courteous manner with the Prime Minister and Members of his Party.

I respectfully submit that this matter has been submitted in a timely fashion and its importance is such that it deserves to be given the consideration that I know you are interested in giving to it even though it has been raised today rather than yesterday. In any event, I submit that the sequence of events indicates that this has been raised in a very timely fashion.

Furthermore I am informed that the warrants have not yet been tabled in this House. My colleagues found out about them only through telephoning. Maybe the argument might be made on the other hand that we have raised this not too late but too early—I do not want to undermine my own argument by saying that.

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): I just want to illustrate that I think we have done this in a finely balanced way. We have treated the Prime Minister and members of his Party with courtesy in not interrupting or holding up their speeches in raising this point. We have enabled the speech to be printed in *Hansard* so that we could study it and we have raised this matter, therefore, as I said, at a very timely and appropriate point. I submit that this matter deserves to be considered on its merits.

Mr. Speaker: I think in fairness to all Hon. Members I should point out that on April 3, we attended in the other place. On April 4 there were two short speeches and then by House agreement the House adjourned. Yesterday was Leaders' day, and yesterday I received in writing notice of this application.

• (1550)

I am not making any ruling on the point made by the Hon. Minister of Justice. It ought to be clear both to Hon. Members and to the public that this notice came in fairly early.

Yesterday, it was again a question of courtesy to the Leaders that it was suggested that this matter be argued today as opposed to yesterday. As I say, I am not pre-judging the argument of the Hon. Minister of Justice.

I want to put another question to Hon. Members, and perhaps the Hon. Minister of Justice would wish to address his mind to the following. Is the suggestion being made that in view of what has taken place, or what has not taken place, which is is really the argument, that the allotment of money under the Financial Administration Act is somehow or other illegal? Perhaps the Hon. Member would like to answer that question.

Mr. Boudria: Mr. Speaker, I am not arguing that the Government is acting illegally. I am submitting to you that the Government is using an Act illegitimately and in contravention of our constitutional conventions. That is the argument that I am placing before you.

The Government had scheduled the recall of this House for earlier this year. Had parliament been recalled at that time the Government would have had to have a Speech from the Throne, table its Estimates, and have the Supply debate all before March 31 in order to seek Supply.

By proroguing the House at the time that it did, the Government did not have to answer to the grievances of the people for that period of time. In fact it created a situation whereby instead of answering to the House for its supply Bill, it used a Governor General's Warrant in order to get the money, and in so doing it was not answerable to any one. That is what the Government has done.

By deliberately proroguing the House and immediately after proroguing it seeking Supply by an instrument such as the Financial Administration Act, it has created a situation whereby we have been denied our rights and privileges as parliamentarians to state the case of the people before granting or denying Supply to the Government. That is the most fundamental role which has existed since the 17th Century and why this institution is here.

That is the case that we are putting before you, Mr. Speaker. One of the fundamental reasons why we were sent to parliament is to state whether or not the Government should have funds to operate, whether or not we as parliamentarians choose to place our confidence in the Government, or deny our confidence to the Government. We have been denied that opportunity.

Mr. Speaker: Let me just ask another question. Do the moneys that have been allocated as a consequence of using the Financial Administration Act not show up eventually? Are they not part of Estimates that are ultimately voted on?

Mr. Lewis: It is a question of privilege.

Mr. Speaker: It may be a question of privilege that is before the House. In order to determine it, I want to fully understand just exactly what the situation is.

Mr. Milliken: To answer your question, Sir, in strict legal terms the provisions of Section 30 of the Financial Administration Act do make it possible for the Government to act in the manner that it has.

There are conventions in our Constitution and Hon. gentlemen opposite are well aware of those conventions. They went to court over the Constitution in 1981 or 1982 and discovered that. The Supreme Court of Canada said that there were certain conventions in the Canadian Constitution that must be observed. It is our position that those conventions have been breached in this instance.

Under Section 30, Subsection 4 or 5, it is clear that the moneys that have been appropriated by Governor General's Warrants will be included in the Supply Bills that are introduced and indeed they are deemed to be included in them. Therefore, in a sense, parliament will have an opportunity to vote those moneys and indeed they will be in. We will have to deal with it. However, it is *ex post facto*. It is being done after the event.

My learned friend, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has indicated that it is being done as of April 1 on Estimates that do not exist. In other words, the Warrants for money are being granted and there are no Estimates here or anywhere else that anybody has seen on which that money is being granted. The normal practice is do it on the basis of the Estimates that already exist.

Mr. Speaker: I think that I have heard enough argument. The Hon. Member for Kamloops.

Mr. Riis: The question you raise is appropriate. As my Hon. friend has indicated it is after the fact and before parliamentarians have had an opportunity to evaluate what funds were appropriated via the Governor General Warrants, and the breakdown as to those funds again is after the expenditures have already been made.

Our job here as Members of Parliament is to review how the Government plans to spend the taxpayers' money before those expenditures are made, and not after the fact. In terms of enabling us to do our job properly as parliamentarians this matter has to be taken very seriously. If it is not taken seriously, we can begin to conjure up just what type of procedure, perhaps not this Government, but future Governments might use and abuse. As we have seen in this case the use of Governor General Warrants under the Financial Administration Act was never intended.

Mr. Speaker: I thank Hon. Members and the Hon. Minister of Justice for their arguments. I will consider the matter very carefully and report back to the House.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Turner, Vancouver Quadra (p. 131) and on the amendment to the amendment of Mr. Broadbent (p. 140).

Mr. Brian O'Kurley (Elk Island): Madam Speaker, it is an honour and great privilege to speak to the Parliament of Canada today in support of the Speech from the Throne which was presented so eloquently by Her Excellency the Governor General of Canada.

In those words so graciously spoken, the head of the Canadian Government offered to her people something that is indeed valuable and extremely precious. It was something that the good people of this great nation have come to expect from Government.

The Throne Speech offers Canadians from sea to sea a vision of the future much like that which was held by our parents and their parents before them, and like those visions that were held by the pioneers who built this nation through hard work and determination into one of the greatest societies in the world.

The vision expressed in the Throne Speech is a vision of Canada that is confident, unified, and strong. It is a vision of Canada that holds a unique identity among nations, a Canada that leads the world community with new ideas. It is a vision of Canada that is vibrant and progressive, but also caring and compassionate. As a country and as individuals we as Canadians have achieved many things over the years, but now is the time to build for the future.

• (1600)

My wife and I have been blessed with three wonderful children, the oldest being six years of age. We are pleased to be expecting our fourth child this spring.

I accepted this challenge as a Member of Parliament because I believe that we in this country have an opportunity to work together to build a better future for our children. What kind of Canada do we want our children to inherit? Shall we offer them a country that is riddled with debt and crippled by economic mismanagement? Shall we offer the next generation a Canada that is afraid and weak? Shall we leave our children a country that is divided and selfish? Shall we offer them a barren and polluted Canada?

I say no. No, our children deserve better than that. Who in this House does not want to leave the next generation of Canadians with a unified, healthy and caring nation?

Today, I would like to describe an action plan that will enable us to realize that positive vision for Canada, an action plan that will give us a guide in building the kind of Canada that we will be able to offer to our children with dignity.

In the Throne Speech the Government set out five main objectives. They are: building a stronger economy, protecting our environment, a caring and compassionate society, fostering the values that make Canada unique and a commitment to national unity. Today, I would like to discuss these objectives and the challenge we face together. I believe it is a plan which deserves support. Let me start with the economic challenge.

The first objective is to have a stronger economy, a stronger Canada. Since 1984 we have done pretty well as a country. We have enjoyed tremendous income growth and job creation. For example, in my riding of Elk Island in the Fort Saskatchewan area we have seen numerous expansions in the petrochemical and technological areas. Farmers from Hay Lake to Chipman have had record crop yields. Our economic performance has outpaced virtually all the major nation, and we have cut our annual deficit by $10 billion. Our challenge is to maintain that economic performance in a world that is increasingly competitive, increasingly interdependent, and increasingly subject to inflationary pressures. To do that it is clear we must ensure that inflation and interest rates stay down. Alberta in particular must be considered in regard to controlling interest rates, both in the short term and in the long term. That means we must continue reducing our annual deficit.

I believe all Canadians will support that effort once they understand the consequences of complacency. Our problem is not so much each annual deficit but the massive debt we have built up over the past two decades. Despite our efforts since 1984, annual interest payments on the national debt now consume 31 cents of every dollar of government revenue, leaving only 69 cents for government programs. Right now, we are borrowing money each year solely to pay this interest on past debt. That means we must pay even larger interest payments the next year, 34 cents on the dollar, then 37 cents, and on and on and on. The trend is clear. The more we spend on interest the less we have for everything else. When interest rates rise, as they have recently, that just makes the problem worse. One does not to have a Ph.D. in economics to see what we have to do.

If we want to keep our economy on track and avoid a return to the stagflation of the years prior to 1984, if we want our tax dollars to go toward social programs and not just interest payments, then we have to reduce further expenditures and begin paying our way. It is simply a question of paying a little now or paying a lot more later.

Continuing deficit reduction will affect what we can do over the next four years. It certainly is not all people will see in the economic sphere. They will see a new sales tax system which will replace the current federal sales tax system, a self-inflicted wound that is costing Canadians jobs. We need a modern sales tax that will not discriminate against Canadian producers and will generate the revenues we need to maintain social services.

If we are to accept reform in the tax system, we must consider the uniqueness of the Province of Alberta. We must work together with Alberta to ensure the economic stability and growth in that province. We will also be hearing more about the GATT trade negotiations as we seek to gain better access to markets in Europe, Asia and to bring order to agricultural trade. There will be action in science and technology with centres of excellence and a greater focus on strategic technologies.

In Elk Island, I will work to ensure that the Canadian Government works together with the private sector to take advantage of new market opportunities in the area of new technology. Companies like Sherritt Gordon are world leaders in the area of advanced industrial materials. We will be building on our new grass roots approach to regional development.

I will work with the counties of Camrose, Leduc, Beaver, Strathcona and Lamont, as well as with the private sector, in an attempt to create more jobs for our people. We will be modernizing our business laws governing bankruptcy and financial institutions. Copyright laws have just been revised to protect the rights of writers and performers.

I might also suggest that we should also review those laws with the consideration for the educational needs of students in our riding, students like those from the New Sarepta High School who are visiting the nation's capital today from the riding of Elk Island.

There will be further privatization of those Crown corporations which no longer serve a public policy role. Perhaps most important is that we will see a major emphasis on upgrading the skills of Canadians, a human resource strategy for the 1990s. That will entail investing in literacy programs, education, training and retraining. Our goal is to turn our social safety net into a trampoline by redirecting more of our resources into skills training so we can help people get a new or better job rather than just pay people not to work.

Continuing deficit reduction so that inflation and interest rates can fall, sales tax reform, a focus on multilateral trade negotiations, investments in new technologies, continuing our grass roots approach to regional development, modernizing our business laws, further privatization and a human resource strategy for the 1990s, are all actions that will help build a stronger, competitive and modern economy, a stronger economy that will produce the jobs and wealth we need to maintain our way of life.

• (1610)

The second objective is that of protecting the environment. During the past year, it has become clear that the world is facing an environmental challenge of unprecedented magnitude. This problem is becoming more and more serious.

Within the past week a major chemical spill occurred near my old home Town of Lamont. Incidents like this are becoming more common. There is no time to sit around blaming one another. It is time for action. Our goal is to develop policies that reflect the concept of sustainable development where economic policies are not divorced from their environmental impact.

We are going to see the creation of a centre for the international promotion of sustainable development in Winnipeg. You will be hearing more about the round table on the environment and the economy which is being chaired by the President of McGill University.

The Minister of the Environment (Mr. Bouchard) has been given new responsibilities to ensure that environmental issues are fully considered in the course of government decision making.

There will be new regulations to limit the impact of toxic chemicals, actions to protect the arctic environment, new legislation to improve water quality, legislation to ensure an appropriate environmental assessment review process, negotiations, both with the U.S. and globally, measures to improve the quality of the atmosphere, initiatives to clean up the Great Lakes and the St. Lawrence River and, together with the provinces, action to clean up dangerous land sites.

However, environmental protection is not just the job of Governments. It is the responsibility of each and every one of us. That is why we plan to encourage individual Canadians to become more aware of the environment, the establishment of an environmental partners fund, the promotion of environmentally friendly products, and programs to encourage recycling.

Environmental protection is not just about minimizing damaged land. It is also about economic opportunities. We are going to encourage the expansion of Canada's environmental industry and promote research and development not just to find solutions to our own environmental problems, but to create export opportunities for equipment, knowledge and environmentally friendly products.

A concentrated government effort to protect our environment, increased public participation and the encouragement of the expansion of Canada's environmental industry are three elements of a comprehensive approach to protect our environment.

Another objective is a caring and compassionate society. Canadians have always placed a premium on tolerance and fairness. We care about the quality of life in this country for all our citizens, and we have always recognized our obligation to help the less fortunate, both at home and abroad. The Mulroney Government shares these values.

Ironically that is why deficit reduction is so important to ensure our ability to maintain quality social programs in the years ahead. That is why, despite our financial problems, we will continue to provide assistance to families and the elderly while directing greater assistance toward those with low incomes.

However, income security is only one of the major challenges facing our society. Legislation will be introduced to create a national child care program. If we are to have a program of this nature, I personally would like to see that the benefits are offered equally to mothers who choose to stay at home to raise their children as well as to working ones.

The struggle to reduce family violence, child abuse and drug abuse will continue, as will research into AIDS and the diseases of ageing. Criminal law reform will continue, including a review of the Young Offenders Act, and we will be addressing the issue of abortion.

In so doing we are also concerned that scientific advances in reproductive technology, artificial insemination, *in vitro* fertilization, embryo transfer and surrogate parenting will outpace our ability to deal with the moral, ethical, legal and social implications. That is why we will commence a royal commission to inquire into the implications of new reproductive technologies for Canadian society.

These are all actions which address the challenges in our changing Canadian society. Our approach will reflect Canadian values, and it is our intention to ensure that these values are promoted in the wider global community.

That is also why we intend to continue to take a stand in defence of human rights and to fight the scourge of famine. That is why we will work with our northern allies and neighbours to develop a new co-operative ethic in the Arctic. That is why we will continue to be a strong supporter of the United Nations and its agencies and will participate in peacekeeping activities.

That is why we will expand over-all immigration levels while continuing to apply fairly but firmly the new legislation on refugees. That is why we will continue our strong support for international disarmament and will lend our voice to those seeking peace in troubled areas of the world. A caring, compassionate society based on fairness and tolerance that describes Canada today. Those are the values that will underpin our domestic and foreign policies.

The final objective is a commitment to national unity, fostering the values that make Canada unique. Our country is one of the most dynamic, peaceful and promising nations in the world. When we compare our situation with that of others, we realize why a foreign diplomat once described Canada as a solution in search of a problem. We have achieved much in little more than a century. We have much to be thankful for and much to celebrate. We are to have a big celebration in 1992 on our one hundred and twenty-fifth birthday to do just that.

In the meantime, we want to bring Canadians together as individuals. We will continue to support the development of our cultural life and our rich multicultural heritage. Elk Island is rich in culture with many people of British, German and Ukrainian descent, as well as people of French and Dutch heritage and many, many others. We will ensure that Canada's cultural voice can be seen and heard in broadcasting, film and video. We will be introducing a new Citizenship Act, and we will establishing a Canadian race and relations foundation to encourage racial harmony.

We will also be taking steps to ensure that our political institutions remain strong. We are going to build upon the recent achievements in parliamentary reform. There will be new conflict of interest standards for parliamentarians, and there will be a commission to recommend changes and reforms to electoral laws. I would like to see more consideration given to seniors and rural votes when electoral laws are reviewed.

Finally, we will continue to seek a constitution for all Canadians, Albertan and Québecers alike. We believe the ratification of the Meech Lake Accord is indispensable to the further evolution of the Canadian Constitution, and with Québec once again at the table as a willing participant. We can get on with the issues of Senate reform, aboriginal and linguistic rights, the roles and responsibilities over the fisheries resource, and the ways to strengthen the Charter of Rights and Freedoms.

The Meech Lake Accord may not be perfect, but it does represent progress. It offers more autonomy to the provinces in areas like Senate appointments, immigration and the appointment of Supreme Court judges. Cultural policies, a new Citizenship Act, measures to promote cultural harmony, parliamentary reform, constitutional progress are the materials of our commitment to national unity and to the fostering of values that make Canada unique.

In conclusion, those are just some of the initiatives we will see from the Government over the next four years, but no doubt that is not all that we will see and hear. In Elk Island we will see industrial expansion and growth in small business and manufacturing. We will see more effective and efficient farming practices.

You and I both know, Madam Speaker, that no matter what the Government does, no matter how responsible or successful it is, we will also see the opposition Parties criticizing every move that is made, predicting disaster at every turn, and offering no constructive advice just as they have done since 1984. However, the Government's resolve is firm and our plan is not about placating special interests. It is about the national interest.

• (1620)

You will also see the opposition Parties criticizing every move that is made, predicting disaster at every turn and offering no constructive advice, just as they have done since 1984. But the Government's resolve is firm. Our plan is not about placating special interests. It is about the national interest. Let us work together to realize a positive vision for Canada. Let us work together to build a better Canada. Let us all work together from all Parties, from all regions of the country to build a better future for Canada.

Merci beaucoup, Madame le président.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Questions or comments.

[*Translation*]

M. Malépart: Madam Speaker, I would first like to congratulate the Hon. Member for his remarks. One could see that he is a new Member. I know he spoke from the heart. But he blamed the Opposition. I would like to remind him that it was under pressure from the Opposition that the Government finally lived up to its commitment following an attempt to cut old age pensions. It was under pressure from the Opposition that the Government gave back their unemployment benefit entitlements to people in his riding. It was under pressure from the Opposition that the Government backed down after having announced it was going to tax stable commodities such as bread and butter. I should think that the Hon. Member will realize that Members on both sides of the House can play a positive role, but that opposition is our only guarantee against dictatorship.

[*English*]

Mr. O'Kurley: I thank the Hon. Member from the Opposition for that statement. I would just like to respond by saying that with respect to old age pensions I think Canada as a nation can be proud that we are leaders in the world community in providing well-being for our seniors and for many of our citizens.

There were discussions during the last term with respect to various different ways of trying to solve some of the problems in many of the social programs. I think it is fair to say that it is not unreasonable for a government to look at all programs and to look at ways of making them more efficient and more effective and make them serve the purpose which they were intended to serve.

I appreciate the comment that the Opposition does have a role. I appreciate the Opposition when it provides constructive criticism and when it plays a useful and purposeful role in this House.

Mr. Whittaker: Thank you, Madam Speaker. In the early 1980s, we witnessed something similar to what is occurring under this Government, the raising of interest rates which began sky-rocketing, the subsequent destruction of many small business persons within Canada, but particularly in the West and in the eastern provinces.

At the present time we have interest rates once again rising, and the Member has indicated that in fact it is causing part of our problem with the stabilization within the Government's deficit problem.

Small businesses need assurance, as do young persons borrowing money for the first time that those interest rates will be lowered and stabilized.

My question is, if we do not stabilize the interest rates, how can the small business person and the new home owner have any confidence in the economic programs of this Progressive Conservative Government?

Mr. O'Kurley: Again, I will thank the Member for his very reasonable question with regard to interest rates. Madam Speaker, interest rates are set or used as a tool not only to control inflation in our own various regions of our own country, but they are also used as a tool to influence our competitive position in the international trading community. Unfortunately, we, as a country, are not an island. We live in a global community. Perhaps we have to recognize the realities of living in an international community if we want to keep our country strong in the long run. Perhaps we might have to do some things that are uncomfortable in the short run. I agree with you that there are parts of the country that suffer a negative impact when interest rates rise. However, I would like to commend governments like the Progressive Conservative Government in the Province of Alberta who have implemented an interest shielding program for people wanting to get new mortgages. I think that perhaps we have to look at very positive ways of dealing with the regional problems while, at the same time, not compromising our international interests.

Thank you, Madam Speaker.

Mr. Boyer: Thank you, Madam Speaker. I was listening, with interest, to the speech by the Honourable Member for Elk Island (Mr. O'Kurley) and I want to congratulate him for having covered such a wide range of the issues that are now, as a result of the Throne Speech, before the second session of our 34th Parliament.

One of the many topics that he touched on, Madam Speaker, related to the Government's announced intention to establish a royal commission to look into many aspects relating to human life.

In the last Parliament when the soleful question of abortion was before us I proposed something along the lines of what I called a human life Act which would deal in a single comprehensive statute, outside of the Criminal Code, with the abortion issue, but also questions of surrogate motherhood, in vitro fertilization, fetal transplants, and many other aspects involving human life throughout the entire life cycle from beginning to end.

I would just like to ask the Hon. Member, Madam Speaker, if he has any particular thoughts along this subject. His speech referred to many different initiatives by the Government, but in light of the announced intention to deal with this through a royal commission that will examine this full range of issues currently affecting human life from a scientific, medical, legal, moral and ethialc point of view, if he has any particular thoughts that he might like to share with the House at this time that would be helpful as the Government makes its plans for the launching of this royal commission.

Mr. O'Kurley: Thank you, Madam Speaker, and thank you for that very thoughtful question.

Madam Speaker, with regard to the question and with regard to the royal commission that will be set up, I think the over–all theme that should be considered while we are implementing this task force and implementing the strategies is that this task force will be dealing with a number of controversial issues. When we are dealing in the framework of morals and ethics there is sometimes great, great controversy. What I would suggest is that we should move towards a spirit of co–operation rather than towards what was, in the past, a spirit of confrontation. We should try to find ways of accommodating the wishes and the needs of both sides of an issue so that we can become more compassionate with regard to the views of others. And I think that with that spirit of co–operation we can achieve many things.

The Acting Speaker (Mrs. Champagne): The period of questions and comments has now expired. Resuming debate.

Mr. Len Taylor (The Battlefords—Meadow Lake): Thank you, Madam Speaker. I am pleased to rise today in response to the Government's Speech from the Throne read by Her Excellency the Governor General of Canada on April 3, and argued so forcefully today by the Prime Minister (Mr. Mulroney) and yesterday by the Leader of the New Democratic Party, the Member for Oshawa (Mr. Broadbent).

It is with a great deal of pleasure also that I return to this House after its recent three months recess, a recess during which I spent a great amount of time touring through my constituency meeting with people, ordinary Canadians who have expressed their concerns to me about everything from interest rates and drought relief to the delivery of postal services in rural communities and the price of wheat in Canada.

If there is one thing I learned on my visits to these kitchen tables, coffee shops and meeting halls it is that this Government now, only four months into its second term of office, has completely lost touch with the people of this country. If this Government, Madam Speaker, had spent any amount of time talking to the people about what it should do to turn this economy around, it would have brought out a Throne Speech, not a Throne Speech such as this one.

• (1630)

While I agree there is an international problem and the Government must be vigilant, it must be prepared to fight for Canadians in the international arena. However, the Government must also be prepared to stand by our producers here at home. We cannot abandon those producers while we go off and fight a foreign war. The Government seems to be doing just that.

I referred earlier to the poorly designed drought program, retroactive changes to the Western Grain Stabilization Program, and the removal of oats from the export jurisdiction of the Wheat Board. Most important right now is that ever-increasing rate of interest charged on farm and small business loans. The Government is abandoning farmers to the whims of the market-place and refusing to stand in the trenches and fight that financial battle with them.

What about those interest rates? What about the interest rates in the Throne Speech? I do not seem to be able to find much reference in the Throne Speech. I do not seem to be able to find anything that says this Government wants to control the rate of interest charged to the most important segments of our economy—farmers and small business people or anyone else for that matter.

The Government's Minister of Finance (Mr. Wilson) is a strong supporter of the Bank of Canada and the present policy of letting interest rates rise to whatever level he wants. Western MPs, MLAs and Premiers have called for lower rates, and the Government is not listening. This Government had the opportunity in the Throne Speech to show the people of Canada that it cared about the ordinary Canadian farmer, the ordinary Canadian business persons, and the ordinary Canadian homeowner by telling them that they would intervene in the economy and control this spiral.

We know who wins with high interest rates. The winners are the wealthy with the money in the bank, the large corporations with the strong cash flows, real estate speculators, and of course the banks and financial institutions. They are the winners, not the ordinary Canadian. There is unlikely a single individual or business in The Battlefords—Meadowlake constituency, the area that I represent, who or which will benefit from these high interest rates. An easing in the bank rate must begin immediately, and it is only the Government that can force action like that.

My constituents are also concerned about energy policy, forestry policy, and the future of Regional Development Programs. Where in this Throne Speech are those matters dealt with, Madam Speaker? Where in this entire document setting out the Government's priorities for the coming year does this Government tell us that it is planning to meet the concerns of western Canadians?

We do not know about forestry, energy, agriculture, regional development, interest rates—any of those things. Where is this Government going? Really, I am very much concerned. These are the wheels that drive the western economy and they are all that is left, or they are all left out of this Government's priorities for the coming year. I could speak for a considerable length of time on what is missing from the Throne Speech, but let me mention just a couple more.

The first ones are the plans for aboriginal self-government and the plans for rural Canada being established by the Post Office. I have read this Throne Speech many times, and I could not tell my Indian constituents what this Government thinks it should do this year on meeting the terms of its previous commitment to Indian people.

In this House on Tuesday there were 14 young Indian people currently on a hunger strike because this Government has cut Indian educational programs. In my riding, as in others, federal and provincial subagreements have not been renewed. These agreements provided much needed financial assistance to the Indian and Métis communities. The Government's Throne Speech says that it will extend programs to assist native economic development, but we have had no signs. There is no idea of any real commitment to such a process.

Indian people in my riding, just as in ridings across the country, are asking this Government to let them become a part of our democratic process which recognized their right to their own future. The Government's current devolution strategy is wrong. It is wrong, not because it gives Indian people a greater and ever-increasing say in the administration of their own affairs, but because it does not provide the foundation, the structure or the resources needed to allow for adequate administration of their own affairs.

Indian issues will be important in this country this year. Therefore, I think it is important that this Government recognize it and state that it is its priority in this House of Commons and in the Throne Speech.

I have been talking again about what is not in the Throne Speech, but before I carry on and conclude there are two more points I want to make. There is just one paragraph after the Government's flimsy reference to Native Economic Development Programs in the Throne Speech. If this Government had spent any amount of time talking to the people about what it should do to turn this economy around, it would not have brought out a Throne Speech such as this one.

Before the last election the Government promised the world, and barely squeaked into office with 43 per cent of the popular vote. That is almost seven points less than it had in the previous election four years earlier. There was no clear mandate given to this Government on any issue, but the public's expectations ran high. The people who voted Conservative were looking for a Government that would look after those who were needlessly battling an out of control economy. Those people have been let down.

Looking back over the past three months that elected Members of the House of Commons have been unable to question the Government on its activities, for those of us in western Canada, in particular, there are more questions than answers and the economy continues to oppress ordinary Canadians.

The Throne Speech which is supposed to give the country, through the Government, its direction for the next year does not address the problems I have seen by touring through my constituency and talking to my constituents about their concerns. My colleagues have also expressed to me the concerns of their constituents gathered during this three-month recess.

What I have heard over that period of time are complaints about high interest rates, poorly designed and administered agriculture programs, such as the Drought Assistance Program now under way.

Tax reform is not only more complicated but seems to be costing us more money. The subject I have heard more about than any other, except perhaps high interest rates, is the removal by the Minister of State for Grains and Oilseeds (Mr. Mayer) of oats from the export jurisdiction of the Canadian Wheat Board.

Farmers in rural Canada did not give this Government a mandate to tamper with any of these government programs, let alone the one which guarantees the sale of their product. Western farmers have protested this move loudly and strongly, but the Government has cotton in its ears. Perhaps it has chaff between its ears, Madam Speaker. Whatever, the Government has failed to hear, to listen to, or to understand these voices from the Prairies, just as it failed to hear or chose to ignore the pleadings of Canadians prior to entering into the Free Trade Agreement.

The last time I was in this Chamber was during the week before Christmas when I spoke on the free trade legislation. I never felt so bad in my life as I stood here expressing the opinions of my constituents, and the members of the Government across the way talked and yelled and interrupted my speech constantly throughout that time. They did, I might add, the same thing to every speech from members of the Opposition throughout this House. They refused to listen, Madam Speaker, and they refuse to listen now. The people of Canada, and particularly the people of western Canada that I represent, want lower interest rates, well administered programs, more fairness in our income tax system and strong marketing boards to sustain and build a rural economy.

Instead, in the past three months we have had just the opposite, and in the future what can we expect? What do you see when you look at the content of the Throne Speech? A lot of rhetoric, a lot of words with very little thought behind them, a plan for the future that begs for detail, and for more information. How can I begin to plan my work for this session of Parliament with this document?

I am concerned about the financial crisis in agriculture. I am concerned because every single community in my constituency depends on the economic well-being of agriculture to survive. In reading this Throne Speech, I do not know what are the Government's plans for the future. There is only one reference in this entire document to agriculture. Only once is the word "agriculture" even written in this document. Can you believe that? An industry as large as agriculture in such crisis in this country, in such turmoil, and there is only one fleeting reference to it in this entire document, this Government's plan for the future.

An Hon. Member: Shameful, shameful!

Mr. Taylor: What is that reference, Madam Speaker, a reference to the trouble in the international marketplace? I agree there is an international problem and the Government must be vigilant. It must be prepared to fight for Canadians in the international arena, but the Government must also be prepared to stand by our producers here at home. We cannot abandon those producers while we go off and fight a foreign war. The Government seems to be doing just that.

• (1640)

I have been talking about what is not in the Throne Speech.

Before I conclude, there are two more points I want to make. Just one paragraph after the Government's flimsy reference to native economic development programs, the Throne Speech reports that this Government will continue its privatization of federal Crown corporations. While I do not support the concept of privatization, I have at least to applaud this Government for saying what it means in this case.

In my province, the provincial Government of Premier Grant Devine is so afraid of the word "privatization" that he has created an entirely new cabinet post. He would not call it the Department of Privatization but calls the Department of Public Participation in an attempt to cover up its real agenda, which is turning over resources and utilities to the private sector. I should mention that ordinary Saskatchewan residents, who will likely give Mr. Devine a retirement send-off soon, call this privatization initiative not privatization but piratization.

In any case, the Throne Speech of the Government insists on moving ahead with turning over public assets to the private sector. The Crown corporation that I am most concerned about, as this Party's Post Office critic, is the Post Office, a Crown corporation which is slowly, piece by piece, being privatized without public debate, without public input and without a public mandate of any kind.

Just today, I attended a press conference with the national president of the Canadian Union of Postal Workers, Mr. Jean-Claude Parrot. He has called on this Government to initiate a royal commission into the operations of the Post Office. Things are so bad there that suicides have taken place. Mr. Parrot says that the workplace at Canada Post is like a powder keg waiting to explode. The only responsible course of action that the Government can take is to launch an investigation and do it immediately. I whole-heartedly support their call for a royal commission and applaud the courage of postal workers for the stance they have taken.

I just want to read briefly from the letter the postal workers sent to the Minister responsible for Canada Post today. Mr. Parrot is quoted as saying:

> The fuse is short and getting shorter. Management's abuse of workers has increased over the last year to a point where, if not stopped, the post office will blow apart. A public inquiry is the only way to expose what is really going on in the post office. It is the only way to make Canada Post management. . .accountable to the public. It is the only way to prevent all out chaos in the postal system.

He goes on in his letter to say:

> Mr. Minister, in April 1989, it must be said that Canada Post Corporation has failed disastrously to fulfill the mandate granted it by Parliament in 1981. Service levels have declined to the point where Canada Post has become an object of ridicule and anger throughout Canada's communities. Labour relations have declined to the point where Canada Post's workers are treated by management, at best, as naughty children requiring constant discipline and surveillance, and at worst, as an enemy encampment requiring eradication.

He concludes:

> A Royal Commission will clear the air and reveal for all to see the truth of what is happening in Canada Post. As well, it will serve to reestablish the legislative mandate of the Canada Post Corporation Act as the guiding light of the Corporation's activities and functions—a development which is crucial to postal workers and to service for Canadians.

This Government and specifically the Ministers responsible for Canada Post will hear a lot more from me about this subject in the near future. Let me flag a few things today in terms of the Throne Speech commitment to privatization.

During the election campaign in western Canada, there was a lot of talk among voters about the quality of life in rural Canada and that in recent years, that quality of life was diminishing. The closure or amalgamation of rural post offices, the reduction in rural postal routes and the elimination or downgrading of rural postal services are just more indications that the federal Government has no commitment to the existing quality of life in rural Canada.

This Government has a vision of rural Canada that is not the same vision that is shared by residents of rural Canada. It is not the same vision that our parents and our grandparents had when they settled in rural Canada. The vision of this Government is a rural Canada which responds to the needs of the market-place, and the market-place is demanding few people and fewer services in the rural areas of Canada.

We are already seeing a decay in rural life throughout Saskatchewan. Branch lines are gone, schools have closed, the hospital system is under review and post offices are closing. I recently visited the community of Leoville, a small community situated north of Spiritwood near the centre of my riding. There they have a deathly fear that their post office is being taken away from them. They are not interested in the conversion program proposed by Canada Post.

The president of the Leoville Chamber of Commerce and the owner-manager of the local grocery store tells me that they as a community have had to fight for everything that they have got. They are going to fight for this post office and it is right to fly the Canadian flag over a federal Government building in their community. I say bravo to Mr. Lalonde in Leoville and to municipal officials all across Canada who are willing to fight for what they believe in. I will be there for that battle in Leoville and any other place that comes along because I believe the direction being taken by Canada Post and endorsed by this Government is wrong.

If the Government was committed to a strong, well-populated rural area with active, spirited people, it would ensure primary producers an adequate return for their labours and it would ensure that the community infrastructure remained in place. The heart of that infrastructure in many cases is the rural post office. The most obvious detrimental effect to life in rural Canada today, besides the disastrous lack of positive agricultural policies, is the Government's decision to cut back funding to the Post Office and its activities in rural Canada.

The new directive to Canada Post is to make money. It is the one government service that has been told to make money and, more important, to make profits. We do not expect the military to make profits nor the RCMP, medical clinics, the Law Reform Commission, the Farm Credit Corporation, universities or hospitals. They do not have to make profits and we should not expect them to. They provide services to Canadian people in areas where people need services. They respond to the needs of Canadian people. That is what Canada Post is there to do and that is what Canada Post has to do. Yet this Government has decided that the Post Office should make a profit. The one government service that touches the lives of all Canadians in every community for their entire lives is supposed to make a profit. We know that the cut-backs from that directive will have their most serious effects in rural Canada.

Thank God for rural community spirit. We would not be here today if it were not for that dogged determination of the rural spirit, never say die. It is the pioneering spirit that built our towns and villages in the past and it is that spirit that will keep them going in the future, despite the efforts of this Government.

One can only hope that the Government will open its ears and accept the wishes, desires and dreams of the Canadian people that are being spoken to Members of Parliament right across Canada while they sit in coffee shops and kitchens and listen to real, ordinary Canadians. I have heard those desires throughout my constituency during the last three months. I trust that my contribution here today with the background of having talked to my constituents helps the Government to understand a little better the direction in which it should be headed.

I look forward with great anticipation to the Government's Budget due for public attention on April 27. That Budget, I hope, will deliver some specifics that the Throne Speech does not deliver, specifics that tell us the direction in which we are headed and what it will cost us. I am afraid I do not expect very much, but I am looking forward, I hope, to a few surprises.

Mr. Hockin: Madam Speaker, I would like to join the House in congratulating the Hon. Member for The Battlefords—Meadow Lake (Mr. Taylor) for his comprehensive remarks. I know that the Hon. Member will take his duties seriously, so let me take a minute to ask him three questions, not provocative ones, but ones that I feel he would like to answer.

First, I heard what the Hon. Member had to say on privatization. Is there any instance when he would support privatization of any public enterprise? I understand that one can take a particular example and argue against it. What I am in search of from his Party and from him are situations where it is wise to privatize. If it is never wise to privatize, then we have a member and a Party which is seriously out of tune with the times and even with other social democratic Parties.

• (1650)

Second, let me refer to our interest rates. I appreciate the Member's concern about The Battlefords—Meadowlake and other parts of Canada where high interest rates are particularly a problem. Was the Member suggesting that we should arbitrarily lower interest rates in a particular region and then subject the country, perhaps, and that region to an outflow of capital which would end up leaving even less investment resource in those regions than existed before the artificially lowering of interest rates?

Is he saying that the country as a whole should arbitrarily lower interest rates 2 per cent, 3 per cent or 4 per cent and trigger an outflow of capital from the country to jurisdictions that are paying market rates of interest? That is, in fact, the logical concomitant of what the Member is suggesting. I do want to probe the Member a bit to get his answer.

Finally, I know he is particularly interested in Native Economic Development Programs and as the Minister in charge of those I want to tell him, and I think he is aware of this, we had an intensive consultation process last year on how to redesign the program. I hope he heard in the Speech from the Throne that the present NEDB pro-

gram is being extended into July and following that the Government wisely, based upon the consultation process, should design the best possible programs for natives. Does the Member have any suggestions of what programs of that sort should look like?

Mr. Taylor: Madam Speaker, I thank the Minister for his question. I appreciate the opportunity to expand on the information that I was providing to the House in my short remarks earlier. I appreciate the indulgence of the House for allowing me to say a few words on these important matters.

Privatization is very important to me. Privatization is something that should not occur in areas of resources, utilities, the service sector where monopoly issues are at stake. But there are likely circumstances where privatization is acceptable. I will not dispute totally that privatization is a bad thing. Throughout Canada and around the world we are seeing efforts where services have ceased to become essential to the needs of the people of the country.

When something is essential or when it deals with our resources, government intervention, government activity, government ability to control the economics of it is imperative. I speak particularly for my people back home when I say that on the issue of potash, natural gas, electric or insurance these are things that should remain within the public domain. I thank the Minister very much for bringing that to the attention of my constituents.

On the issue of interest rates, yes, I believe that is within the domain of the Government, that it should be a priority of the Government arbitrarily to bring down the interest rates one, two or three points and should do so immediately. The fear of capital leaving the country can be contained by the use of exchange controls. A Government that is interested in helping to maintain and build the economy of the regions and the areas of this country can find ways to deal with this matter irrespective of the activities of American financial interests.

On the final point of Native Economic Development Programs, I think the very best sources of information are the Indian people themselves. The national and provincial native organizations must be called in regularly and be enabled to provide the direction and initiative that is required in the future and in the Constitution.

Mr. Friesen: Madam Speaker, I appreciate the reply the Member has just made. It is refreshing to hear the New Democratic Party restating its much more doctrinaire positions. It masked them successfully over the last ten years, ever since the Winnipeg convention.

Now we hear again a little more honest restatement of socialist policy, that the Government should own the major resources of the country. It should arbitrarily cap interest rates and have financial economies as in Kenya, Tanzania, Cuba, Hungary and Poland. They are great examples to follow in financial policy, Madam Speaker.

I was interested in the Member's comments regarding cutting—and he used the word cutting—the educational programs for native Indians. I would like to point out to him that the post-secondary program for our native people has increased in enrolment from 3,500 in the academic year of 1977-78 to this year's academic year of 15,000. The budget has increased from $9 million from 1977-78 to $130 million in 1988-89. It has still not been cut. If the Member wants to insist that the program has been cut, will he give some evidence to the House for his statement that the Government has cut that program?

Mr Taylor: First, I make no apologies for being interested in a more caring and better administered economy. I make no apologies whatever for having that interest in my heart.

Second, on the matter of the Indian education programs, the people who are affected by those problems are the ones who are on hunger strikes or who are marching in the streets and occupying offices.

The Indian people know that the cuts are there and that they do not have access to the post-secondary system that they need. I think it is time the Government met with those people on hunger strikes and met with the Indian people who are concerned about the inadequate funding for post-secondary education. When the Government does that, then we can get down to talking about figures, the need and where we are going.

Mr. Riis: Madam Speaker, I listened with interest to the Hon. Member's brilliant presentation in his analysis of the situation which the country faces. I have a question for him.

He comes from western Canada. I have been trying to think of a single government program where the West gets its fair share based on its population. I have struggled for the past nine years to find a single example of where western Canada gets it fair share of anything. I have yet to find that.

Has my hon. friend come across any government initiative in a comprehensive national program based on population base where the West gets its fair share? Has the Hon. Member been able to determine any single federal program of that nature?

Mr. Taylor: Madam Speaker, I appreciate the question from my hon. colleague, the Hon. Member for Kamloops (Mr. Riis), a Member who has a great deal more experience than I have in this Chamber and a Member who has had many more years than I to investigate this matter. In my short period of time I too have failed to find any program whatever that would deliver a fair shake to the people of western Canada. I hope eventually that with the skills which the Member displays and the skills I hope to acquire we will one day be able, if we cannot find them, create programs to give a fair share to western Canada.

[*Translation*]

Mr. Peter L. McCreath (South Shore): Madam Speaker, it is a great honour for me to take part in a debate so crucial to the future of this country. I think that this Throne Speech sets the best goals and aspirations for Canada and Canadians. As a new Member, I am proud to be a part of the team led by our Prime Minister, who is a strong and wise leader. I am also proud to be a member of this Progressive Conservative Government.

Some Hon. Members: Hear, hear.

Mr. McCreath: For a Nova Scotian, my French is not that bad, if I say so myself.

Some Hon. Members: Very good!

• (1700)

[*English*]

Mr. McCreath: It is remarkable the extent to which my concept of Canada is reflected in the goals and objectives set forth in the first page of the Speech from the Throne which marvellously articulates a concept of the direction in which our country should go in the years ahead.

My concept of Canada is a Canada economically strong and self-reliant. It is a Canada that makes effective use of the abundant resources that we have at our disposal and makes careful exploitation of those resources in order to provide the greatest benefit, not only for Canada and Canadians but indeed for the people of the world.

It is a Canada in which we have as our goal the social security and safety of every Canadian. It is a Canada that seeks full employment for every Canadian and an adequate and meaningful job for every person who wishes to have one within our country. It is a Canada that welcomes the challenge of economic development, that looks to the opportunities of international trade, and is prepared to reach out to all the corners of the world.

One of the important initiatives undertaken by the Government in recent years was when it recognized the potential impact of our multicultural society for the development of trade, because it was prepared to capitalize on the linkages that we have with all the peoples of the world.

As an immigrant nation with citizens from countries all over the world we are in an unique position to develop trade and take advantage of not only the personal connections which Canadians have, but the linguistic skills that give us linkages into every country of the world.

My Canada is a Canada that is a nation of people who have respect for this wonderful land with its natural endowment of resources, including the air we breathe, the water we drink, our fields and forests, our lakes, rivers and oceans, our birds and animals and, most important of all, our people, be they young or old, men or women, recent arrivals or multi-generational Canadians, *anglais*, *francais*, *ou d'autres*.

Above all, Canada is a land of diversity. A key to understanding this country is understanding the implications of our diversity from one end of the country to the other. Diversity exists in Canada on many planes, cultural, linguistic, socio-economic, climactic, geographical and, as a Nova Scotian, one of which I am so well aware, regional.

Diversity means for Canadians that we have differing perspectives toward national issues. We do not all approach national issues in the same manner. Understanding comes from recognizing and, more important, accepting the implications of the differing perspectives of Canadians from different regions with different languages and different cultures.

The real challenge of those who are charged with governing this country is to come to grips with the fact that they have to recognize that Canadians see issues differently and that they are prepared to accommodate the legitimate and reasonable aspirations of Canadians from different regions with different cultures and linguistic groups.

At the same time, provision must be made for alleviating measures for those Canadians who will be disadvantaged by the national consensus. Let us face it, Madam Speaker, one cannot at all times accommodate what are often very diverse or differing needs on any given issue or any given policy decision. Therefore, Government has to be prepared to provide alleviating measures for those who may from time to time be disadvantaged by specific proposals or issues. That is why programs are targeted at responding to specific regional development needs. Such programs, most recently articulated in the Atlantic Canada Opportunities Agency and comparable programs, to target the particular needs of regions such as my own are in fact a cornerstone of Canadian society, a cornerstone of governmental policy and practice. I am delighted that this concept was clearly and unequivocally reinforced in the Speech from the Throne that was delivered on Monday last.

My Canada is a compassionate, caring society which extends to all its people. In a nation with the wealth and resources that we have, no Canadians should suffer from lack of adequate housing or nutrition, or from lack of adequate health care services or social security. One of the blessings we have developed over the years is probably the best health-care system in the world, a health-care system that is safeguarded and preserved, and under the sound economic management of this Government will grow during the years to come.

Our society is one in which Canadians should never suffer from deprivation or from violence, particularly violence in the home. As a priority we must ensure that our children are safe and that they do not suffer from child abuse or neglect in any way. We must ensure that our children have the best education because they are our resource for developing this country in the future.

Our Canada must be a Canada in which there is respect and dignity for all, particularly for our senior citizens, and for those who suffer from disabilities.

Self-reliance goes hand in hand with self-respect. Our national goal must be to ensure that basic social needs and security are recognized as the basic rights for all Canadians.

My Canada is a multicultural Canada. For the past 400 years we have been a nation of immigrants; even the native peoples originally came from other lands. Our nation will continue to be a nation of immigrants.

In recent years every economic demographic study done has shown that in the years ahead we will have a need for more immigrants. Therefore, our immigration system is vitally important to the future of this country. It must be a system that is fair and open to all, all who meet the legitimate criteria for entrance. At the same time, it must be one that is fair to those who have special needs. We must have provisions for bona fide refugees, those whose lives are indeed imperilled in their lands of origin. However, at the same time the system must be fair in the sense of requiring that all of those who wish to come to our country are prepared to wait their fair turn in line. In this regard I compliment the Government for the efforts and the provisions it has put in place in an effort to come to grips with this extremely difficult problem that has plagued our country over the past two or three years.

Our multicultural Canada must be based on two concepts that are the bases of the Canadian Multiculturalism Act that was enacted by Parliament last year, the concept of cultural freedom, the concept that every Canadian is free to be what he or she perceives themselves to be, and on the concept of equity and fairness for all. That means equality of access as well as equality of opportunity.

Over the years ahead we must build on the Canadian Multiculturalism Act. We must extend the implications of the employment equity provisions. In the Speech from the Throne reference was made to revisions to the Citizenship Act. I see the Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship) (Mr. Weiner) is present. I look forward, Mr. Minister, to seeing those provisions coming forth.

This is the vision of Canada that we must work toward. Let me tell you, Madam Speaker, how the South Shore, my constituency, fits into this perspective. I believe it remarkably typifies the best of what is Canadian. It is a constituency that extends 150 miles from my home in Hubbards to Charlesville, a community that Canadians will remember. It was the community that was so hospitable to the refugees who came to our shores through the night a year and a half ago.

It extends from the Atlantic ocean 40 to 50 miles inland to the fields and forests of New Ross, New Germany, and Caledonia. It also contains a variety of coastal islands. I am fortunate, when I visit all my constituency, that I not only travel on planes and on highways. I also travel by boat as my constituency contains islands extending down the coast from East Iron Bound to Seal Island.

The South Shore constituency comprises the historic counties of Lunenburg, Queens and Shelburne on the majestic Light House Route. I want to say to all Members of the House that they will find no better place to spend next summer than visiting the South Shore and driving the beautiful Light House Route and visiting the many marvellous and beautiful sights. They include historic towns such as Lunenburg, the home of the *Bluenose*, and the *Bounty*, where the Fisheries Museum of the Atlantic provides one of the most interesting spectacles for all visitors. It is rwhere one of the largest fish plants in the world can be seen, the National Sea Plant, as well as the historic boat building centre of Mahone Bay with its 11 churches.

There is the industrial centre of Bridgewater, Nova Scotia, on the beautiful La Have River, a town that has benefited from industrial growth while at the same time retaining the natural charm and beauty of the area. There is Chester, Blandford, New Ross, New Germany, West Northfield and Riverport right out on the ocean, Queens County, the forestry capital of Canada, with its sawmills and Greenfield, and Caledonia, Liverpool, the historic privateering town with its Bowater Mersey paper mill and its Mersey Seafoods and Stempro, Port Medway, Milton and, yes, Port Mouton, a town I will talk about in a moment. Of course, there is also Kejim Kujik National Park. It comprises as well Shelburne County, probably the fishing centre of Canada if not of North America, where we have fishing communities extending from Port Lehebert on the east to Woods Harbour on the west and such significant and important towns as Shelburne, Barrington, Clark's Harbour, and I might say the historic town of Lockeport to which my ancestors came and settled 200 years ago.

.(1710)

Fishery is a large part of what the South Shore is all about. As go the fisheries, so goes life on the South Shore, in particular life in Shelburne County and along coastal Lunenburg and Queens Counties.

We have done very well in recent years in our management of the scallop, lobster and swordfish industries. We have had the implementation of a limited entry system which, while frustrating to some, at least has the advantage of providing control of the industry.

We now have a burgeoning new tuna industry. We had a wonderful fall when the tuna came off southwestern Nova Scotia. We look forward in the next couple of weeks to seeing the tuna management plan for 1989. It is important that in establishing that plan we see controls put in place to ensure that we do not create an over-capacity problem. There should be no new entrants in the tuna fishing industry in Atlantic Canada this year. Nor should there be transfers. Those licensed to fish in southwestern Nova Scotia should fish there. Those licensed to fish in the other areas should fish there. But we should be prepared to provide the necessary quota transfers to ensure that we take full advantage of the quotas that are available to us.

We have a new industry developing in the flounder area. I would like to see those fishermen identified as specialists as we deal with the difficult problem of diversifying our groundfish industry so as to take advantage of under-utilized species.

The groundfish, of course, represents our major problem. It has been in the news lately. The three fish plant closings that were announced in the last month or so were in the South Shore constituency. We are gravely concerned about the future there. We are going to need support not only from the Minister of Fisheries (Mr. Siddon), who has been most supportive and who showed the wisdom a year and a half ago to set up the groundfish capacity committee whose report I have with me, but the support of other Ministers. The committee reported just recently. It has come forward with some very excellent recommendations that will provide long-term solutions to our groundfish problem, putting forth various ideas such as the designation of specialists and generalists within the fishing industry that makes greater efforts to reduce our capacity.

Our capacity problem is the one that has really precipitated the groundfish problem. It is a problem that was developed 10 or 12 years ago when the policy of the Government of the day was to provide a fishing licence for virtually anybody who wanted one. Unfortunately, that Government did not make provision to ensure that there were as many fish in the ocean as required for all the people who wanted to fish them. Thank goodness this Government is in power. It has the courage to tackle such problems. I want to compliment the Minister of Fisheries for the efforts and the manner in which he has undertaken to deal with this most difficult problem. I call on the Government of Canada to support the efforts of that Minister. We are going to need the support of Ministers far beyond the Minister of Fisheries and

Oceans. In the short term we are going to need adjustment.

On March 9, for example, the village of Port Mouton, a village of 800 people, suffered the tragic news that the one and only major plant in that town was being closed—45 full-time employees—and another 150 seasonal employees were put out of work. We have to do that—

An Hon. Member: Free trade!

Mr. McCreath: This has nothing to do with free trade. We need immediately to have an industrial adjustment program put in place. I am pleased to say that on inquiry I discovered that the officials of the Department of Employment and Immigration immediately approached Clearwater to set up that agreement. They are still waiting to hear back. It seems the President of Clearwater has been out of the country since then. I call upon him and I call upon Clearwater to get together with the officials from the Department to get an agreement in place that will help those workers quickly and as soon as possible. I know the Department will move quickly as well in Port Medway.

Shelburne County is another situation. We have over 120 fish plants in Shelburne County. You know, Madam Speaker, you cannot run a fish plant without fish. It would be a simple thing for this Minister to do what certain of his predecessors did and say if you want to fish the ocean out, go ahead and do it. This Minister is too responsible to do that. His responsibility is to preserve that very important resource for future Canadians. That is the challenge he has undertaken. Meanwhile, in the short term we have to be prepared to do the work that will alleviate the difficulties that our people face.

In Shelburne County we have to put in place as soon as possible a Community Futures Program. An application has been put forward. Because, thank goodness, unemployment was not high three years ago, we have not to date been deemed to be qualified. But I know that this program under the Canadian Jobs Strategy has been considerably beneficial to many, many Nova Scotians. For example, in the fiscal year 1987-88 some 700 workers from the fishing sector in Nova Scotia received over $1 million in assistance through the Canadian Jobs Strategy. Since its implementation, nine areas in the Province of Nova Scotia have been selected for assistance out of the Community Futures Program. I am going to be urging and pressing the Government of Canada to move as quickly as possible to see that we have a Community Futures Program put in place in Shelburne County as soon as possible.

We want to take full advantage of ACOA. ACOA has been a marvellous thing for Atlantic Canadians. Since its inception in 1987 up until March 17 of this year, ACOA has approved 89 applications from the South Shore. I look to there being at least 89 more this year. This has meant an injection of over $5 million into our local economy. This money, along with approximately $22 million from the private sector, has directly created 198 jobs, maintained another 24 and this, of course, does not account for the indirect spin-offs that come. We must be prepared to use ACOA creatively to assist the fishing industry and the communities dependent upon the fishing industry to adjust to the implications of the problem we are going to have in the groundfish industry as we look ahead.

Madam Speaker, I see my time is almost up. I would like to have talked about industries that are booming in the South Shore. Our Christmas tree industry is one. It awaits the implementation of the Forest Resource Development agreement which is critically important in establishing the research necessary to develop that industry.

I would like to have talked about the needs for postal service that my hon. friend opposite talked about earlier. Postal services are extremely important to people in rural areas. I would like to have talked about the maintenance of our rail links for transportation purposes, but those will have to wait for another day.

In concluding, I wish to thank the House for its attention and you, Madam Speaker, for the opportunity to participate.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Madam Speaker, I want to congratulate the Hon. Member who just finished his speech. I must say his French was very good indeed, and I would encourage him to keep up the good work. In fact, I thought his speech was pretty good until he started to talk about fisheries and to establish a connection between fisheries and the Throne Speech. He told us about the problems in his area with fish processing plants and fishing overcapacity. Everybody knows there are serious problems in the fisheries industry along the coast of Nova Scotia, and these problems are not about to disappear in a matter of weeks or months. The Government must take some kind of action to find out what is going on and try to find ways to prevent a situation like the one at the Port Mouton plant which closed its doors, which meant a loss of jobs for the people in that community. It should not tolerate that

kind of situation. The Government must act and deal with these problems. And why couldn't the Government and the Minister of Fisheries and Oceans include in the Throne Speech some measures or proposals for examining these serious problems and finding a solution?

I refuse to believe that the Hon. Member who represents a riding where the fisheries industry plays an essential role is satisfied with the scanty mention of fisheries in the Throne Speech. I am sure he would have wanted to see more than that.

• (1720)

[*English*]

Mr. McCreath: Thank you, Madam Speaker. I thank the Hon. Member for giving me an opportunity to speak further on the subject of fisheries.

First of all, I think that what was set before us in the Throne Speech was a concept of Canada and a set of goals and objectives. It was done in a very comprehensive way, and I think it was an extremely well written document.

With respect to the issues raised in the fishery, I am sure the Hon. Member is fully aware of the diligent work that has been undertaken over the course of the last year. If he is not, I would be more than delighted to provide him with a copy of the report of the Scotia Fundy Ground Fish Industry Capacity Advisory Committee.

It is a committee, Madam Speaker, that has in its membership representatives of all the major organizations involved in fishing in Atlantic Canada; the Eastern Fisherman's Federation, the Eastern Shore Fishermen's Protective Association, the Grand Manan Fishermen's Association, the Maritime Fishermen's Union, the Nova Scotia Draggermen's Association, the South West Fixed Gear Operators and representatives from the province as well.

The study is under way. The capacity committee has provided and filed its first phase report. It is my understanding that the Minister has now requested a detailed process for implementing the very sound recommendations that are here. We do not need a further study. The work has been done in the first phase, is now being done in the second phase, and I think the important thing is that as these industry representatives have become involved in this process Members opposite will take an active interest in the excellent work that is being done. But we have to face one fundamental reality. The Government of Canada, indeed Hon. Members opposite, cannot create fish. We have to face the fact that we have a serious problem because we in the Scotia–Fundy region we have overharvested the fish that are there.

It would be very easy for me as a Member from this side to go on criticizing the previous Government for what they did or did not do in the past. Who knows? Had any group been in power, perhaps they would have done the same thing.

It is partly the result of the extension of the 200-mile offshore zone, partly the change in technology from wooden boats to fibreglass boats, the fact that when you replace the one with the other, you can very easily get what we call jumbo boats that create a greater capacity to harvest more fish, but the bottom line is that there are not enough fish in the ocean.

The responsibility of the Minister of Fisheries is to safeguard that resource. It is interesting to see that if you go down the government benches, he is the only Minister who under legislation has a responsibility for managing a resource—

The Acting Speaker (Madam Champagne): The Hon. Member from Etobicoke—Lakeshore (Mr. Boyer) on a point of order.

Mr. McCreath: I am perhaps getting carried away. I will stop and allow the Hon. Member to ask his question.

Mr. James: Thank you very much, Madam Speaker. I would like to congratulate the Member for South Shore (Mr. McCreath) on an excellent speech. I know the people of his constituency are going to be very well represented.

I was also pleased to hear that we have elected someone who has somewhat of a rural constituency—150 miles long. It must have some rural component to it. It seemed to me the Member from The Battlefords—Meadow Lake (Mr. Taylor) seemed to be indicating that the NDP, his Party, had a corner on the rural constituencies, and that is certainly not the case.

I would also like to commend him on applying for the Community Futures Programs because it is certainly an excellent one and I know it will serve him well.

What I would just like to ask him, though, so I can give my colleague the opportunity to ask his question, is to have his evaluation of the Free Trade Agreement and how it will be of assistance to him because, as he knows, it was an important point in the Throne Speech and is something we are going to carry on and implement.

Mr. McCreath: Thank you, Madam Speaker. I do not think there is an industry in Canada that will benefit as much from the Free Trade Agreement with the United States as our fishing industry, and there is no constituency in Canada that will benefit so much as the South Shore constituency. Seventy per cent of the fish that we in Nova Scotia goes to the United States. The securing of the American market, which is what we achieved through that agreement, has tremendous potential. It means that for such fish as we are able to catch, we shall have access to the principal market.

The second most important aspect of that agreement is that it ensures that American fishing vessels will not have access to get back on Georges Bank. That is one of the things they were concerned about during the course of the negotiations.

Senator Mitchell from Maine, for example, opposed the Free Trade Agreement because it did not provide an opportunity for Maine fishermen to get back on Georges Bank. Our fishermen have had their interests safeguarded by that provision. The fact that over the next few years the duties will be removed on cooked and processed fish means that we are going to have an opportunity to do more value-added work, more processing of fish in Canada prior to its being sent to the United States because our fish processors are more competent. They are more efficient.

Studies done by companies like National Sea have clearly demonstrated that there is a higher degree of productivity on the part of our fish processors in Canada and Nova Scotia than in the United States. We look forward to the fact that we are going to see more fish processing done on our shores and jobs will be created as a result.

I look forward to the possibility—

An Hon. Member: Your time is up!

Mr. McCreath: My friend, when you come from an area with fishermen, you have got to be able to stand up and tell them the way it is. We look forward to the—

An Hon. Member: You have just started here. Watch your blood pressure.

Mr. McCreath: Does that count against my time? Anyway, what was the point I was trying to make? My compliments to the Member opposite. I will stop now.

Mr. Whittaker: Madam Speaker, I did enjoy the tour on which we were taken by the Member for South Shore (Mr. McCreath) around his riding and the identification of the fisheries and the fish of Nova Scotia. I want to talk briefly about the fact that most of us in Canada, through one, two, three and four generations, have been and are immigrants to Canada and unfortunately, over the last four years in particular, the immigration level has fallen substantially in this country so that from the high under the Liberal Government, as I understand it, it has now dropped approximately 80,000 from that highest point. My question to the Member is this: Does he agree with the Economic Council of Canada which recommends that substantial increases in the numbers of immigrants to Canada will ensure the stable economic growth of this country? If so, will you encourage our Party to encourage our Party to substantially increase immigration so that we can have economic growth in this country? Thank you, Madam Speaker.

• (1730)

The Acting Speaker (Mrs. Champagne): It will have to be a short answer from the Hon. Member for South Shore.

Mr. McCreath: Madam Speaker, that is my biggest challenge since I became a Member.

Briefly, Madam Speaker, I have not read the report to which the Hon. Member refers. Clearly, this country needs immigration. It is my understanding that the Government has in fact increased immigration levels for 1989. I expect that we will see that the Government will in fact establish immigration levels consistent with what we can accommodate in terms of people arriving and settling in this country, while at the same time responding to the needs of Canada in terms of its economic development in the area of immigration.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Winnipeg North.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, it is with great humility, pride and obeisance that I, as a new Member of Parliament, now rise in this most honoured Chamber to respond to the Speech from the Throne, what it says and what it fails to say.

I am also pleased that Parliament, where we ought to do more than just listen, has finally reconvened to deal with the present issues our nation is currently facing.

I would like to briefly indicate to the House that it has been most fulfilling to serve my constituents and to open my constituency office six days a week, 365 days a year.

I am a new Canadian. I came to this country one score and one year ago full of dreams and expectations. Canada has allowed me to fulfil most of those dreams. However, I never began to dream until a year ago that I would aspire to join you here, to repay the many blessings my adopted country has bestowed upon me.

Indeed, I am proud to be a Canadian. I am fortunate and humbly proud to be the first Filipino Canadian ever elected to this House of Commons, the forum for national debate.

Some Hon. Members: Hear, hear!

Mr. Pagtakhan: At this juncture, allow me to remind you that for 26 years the people of Winnipeg North had in this office the voice of Mr. David Orlikow. His long career in Parliament was always rooted in his care for people. He earned their respect and their trust, and he has earned mine. Hence, it was with an amalgam of feelings that I accepted the victory of last November 21.

As the new Member for this riding, I want to express my profound gratitude to the constituents of Winnipeg North for whom I speak today and who join me in speaking for all Canadians in all walks of life and of all national origins.

I will do my utmost to uphold the longstanding reputation of Winnipeg North as a well represented and very stable riding. I say this will all humility, for I believe you will share my stand when I champion the cause of fairness and social justice, when I speak for openness and candour during parliamentary debate, when I ask that we do not spread misunderstanding and hate, when I ask that there be no misuse of our Charter of Rights and Freedoms. I believe you will all stand by me.

As a physician I am used to treating the illnesses of patients. As a parliamentarian, I hope to contribute greatly to treating the illnesses of our society, the ills of unemployment, homelessness, intolerance, unfairness, illiteracy, injustice and poverty.

My childhood has taught me what it is to have very little in life. This has led me to appreciate even more the true meaning of open opportunities, fairness and tolerance—strong Canadian values. Winnipeg North stands for all these values. The people of Winnipeg North have a message for this Government and for all Canadians. We believe in protecting the mosaic of our varied cultures and reject the melting of them. We insist on total door-to-door-mail services and reject supermailboxes. We insist on maintaining our train service and reject its dismantling. We treasure our social programs and reject the deindexation and cuts. We believe in adequate funding for national voluntary organizations. We cannot accept that they suffer the axe of a blind and non-discriminating cut-back policy.

I have been elected as a Liberal because I am a Liberal. I believe in freedom and in social justice, for freedom without social justice is only freedom for the very few rich and powerful, not freedom for all, the poor and the middle class.

I and my fellow Liberals believe in free enterprise. We reward success and we are not jealous, but we also believe that those who have should help those who have not and we help those who have not that they may help others. It is that Liberal philosophy that has brought to this country our social umbrella which has made Canada a better, stronger and more compassionate place to live in. Programs like our universal medicare, Unemployment Insurance, family allowance, the Canada Pension Plan, Old Age Security, Guaranteed Income Supplement, and many others have all been put in place by Liberal Governments. That is why I am proud to belong to the Liberal Party.

These programs are now part of our national fabric and we will vigorously defend them. We will not let this Conservative Government cut any of our vital programs. We will not tolerate any further burdens being placed on the back of this country's weak, its poor, its unemployed, its disabled or disadvantaged. It is bad enough that in the last four years, because of the Tory philosophy and the Government agenda, the gap between those who have none and who have has grown consistently wider.

It is very difficult for a person like me to accept—and I grieve it—that in a country as rich and as developed as Canada there are, in 1989, more than four million poor, half of them the youth of our country. We should also remember that there are many poor citizens in the Third World countries and Canada must take a leadership role in easing their debt burden.

It is unbelievable that in our prosperous country in 1989 there are thousands of homeless people, among whom are mothers with young children, and the Government does not even find it appropriate to put this onerous problem on its agenda in the Throne Speech.

Prosperity ought not to be measured only in terms of increased productivity, as the Prime Minister (Mr. Mulroney) has said, for many, but also in terms of no more poor, no more line-ups for heart surgery or cancer treatment, no more indignity to our aboriginal people, no inequity in employment for visible minorities and new citizens. Madam Speaker, a Race Relations Foundation is not enough. Employment equity is a must.

No, the Government felt it is not important at this point because the Government has a new obsession, the deficit. In four years, in one single term, this Government has nearly doubled the public debt, from $170 billion to $320 billion. Yes, it almost doubled the accumulated deficit of more than 100 years and that despite the biggest tax increase in Canadian history, particularly for the poor and the middle-class. In the Throne Speech, the Government tried to camouflage the deficit by saying it has decreased in percentage. It did not have the courage to say, in absolute terms, that it has increased, indeed. With its pre-election promises, the Government knew it was promising an even bigger deficit; with its post-election obsession to cut it, this Government, in essence, was not candid with the Canadian electorate, reminiscent of its free trade posture prior to the election of 1984.

Let us not ask the question, how much wealth we have, but let us ask the question, what use we make of the wealth we have. The debt that we now have has created assets for our country, has established public schools, hospitals and many other public institutions that we cherish. Now the Government wants to cut badly, everything, everywhere, especially in social programs because their good friends in big business, who advertised for them during the election, are saying now that social programs threaten their ability to compete.

• (1740)

The new buzz words now are review, reform, revise and readjust. We are not naive, nor ignorant, nor dumb. We know very well that they are all code words for cutting, chopping and deindexing.

Has this Government not learned its lesson, that it cannot tamper under any disguise with the principle of universality of our national social programs? If the Government thinks it can tamper with our social security net, it had better be ready for a fight, because fight we will put up.

Some Hon. Members: Oh, oh!

Mr. Pagtakhan: Vigilant we shall be so that our fears do not come true, especially for the health care sector.

Health, Madam Speaker, has always been at the centre of my professional life. As a physician and a medical teacher I have dedicated all my professional life to the cure of illnesses and the promotion of health. Now, as a parliamentarian, health remains a prime concern I approach with renewed commitment. I am very grateful, therefore, to my Leader for giving me the responsibility of associate critic for health. He trusts that I, with my colleague from Cape Breton—East Richmond, will keep a very close watch on our medicare system, and we will. He trusts that we will force the Government to put the health of Canadians ahead of any other considerations, and we will.

Already many incidents have been raised in only a few weeks while the House was not sitting. We have even seen that the health safety procedures used by the Department of Health are not secure enough to ensure the full protection of Canadians. Therefore, Madam Speaker, I ask the Government to update immediately its procedures regarding the distribution and the sale of any food or other products that may in one way or another be harmful to our people.

The procedures have to be clear enough that we always know what is going to happen at any given time that a product appears to be dangerous. Canadians can no longer tolerate a health safety policy of cyclical boldness and indecisiveness. The basic approach to health safety is not difficult. The Government has only to yield and move. Yes, a newly developed policy may at times be disturbing for the industry, the distributors and the merchants. I realize that. I also know that health is too precious of a God given gift to play with. When we talk about thousands of lives that are threatened by unsafe food, drugs and pesticides, I say, health protection is the very first priority. Profit becomes irrelevant.

Even in these days of restrictions and budget cutting, the Government should make a very special effort to enhance its financial support for medical research. It is my privilege, indeed, to have the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) as a Liberal colleague. He has fought bravely to regain his full health. He has started a crusade to help find the increased resources for medical research. Along with thousands of Canadians who have signed his petition he is asking the Government to review its decision to purchase nuclear submarines and redirect the money to medical research and medical services. I have great admiration for the Hon. Member for Laurier—Sainte-Marie. He can count on my full support and that of my fellow Liberals. I hope as well that he can count on yours, Madam Speaker, for the benefit of so many Canadians.

What my colleagues and I are asking the Government is to invest in people, because Canadians are our most valuable resource. When we invest in keeping them in good health, when we train them for the new jobs, when we upgrade our educational system, when we create day care facilities, we invest in people and therefore we invest in our country. However, the Conservative Government does not think that way. The Government appears to subordinate people to profit just as if this country was a private business, probably as has been said a subsidiary of an American firm.

That is why my Leader, my colleagues and I believe that the next few years of this Government—

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member.

It being 5.45 p.m. it is my duty, pursuant to Standing Order 50(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the sub-amendment. Accordingly, the question is as follows—

Mr. Pagtakhan: Madam Speaker, I am a new Member of Parliament. I would like you to be compassionate and to realize—

The Acting Speaker (Mrs. Champagne): Order.

.Mr. Pagtakhan: Madam Speaker—

The Acting Speaker (Mrs. Champagne): Order. For the benefit of the Hon. Member and of the public who are now listening to us, I will try to explain to the Hon. Member what is happening.

There was an understanding much earlier that at 5.45 today all proceedings would be interrupted and all necessary questions would be put to the House. It was the decision of this House that this procedure would be in place. It is the Standing Order. I must put the question to the House, which is why I apologized for interrupting the Hon. Member. However, it is my duty at this time.

Therefore, the question is on the amendment to the amendment of Mr. Broadbent. Mr. Broadbent moved:

> That the amendment be amended by adding the following words: "And specifically regrets the failure of the Government to protect the environment through the criminalization of environmental offences and thorough review of the environmental impact of government initiatives: to establish a national child care program with national objectives of care; to provide a coherent, well-articulated foreign policy for Canada at a time when leadership is required; to put the needs of ordinary Canadians ahead of those of its corporate friends; to make sure that wealthy Canadian corporations and individuals carry their fair share of the tax burden; to provide assistance to workers dislocated by the trade deal and/or corporate restructuring; to meet the needs of Canada's regions; or to commit itself to a policy of full employment for all Canadians; and finally to ameliorate the harm caused to Canadian families and regions through its high interest policy.
>
> BREV

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the amendment to the amendment, which was negatived on the following division:

(*Division No. 1*)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)

Barrett
Benjamin
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Callbeck
Clancy
Copps
Duhamel
Fisher
Foster
Gaffney
Gauthier
Guarnieri
Harvard
Heap
Hovdebo
Kaplan
Keyes
Langan (Mission—Coquitlam)
Lapierre
Lee
MacLaren
MacWilliam
Malépart
Marchi
Martin (Lasalle—Émard)
McLaughlin
Mills
Murphy
Nunziata
Ouellet
Parent
Peterson
Pickard
Prud'homme
Robichaud
Rodriguez
Skelly (North Island—Powell River)
Speller
Stupich
Turner (Vancouver Quadra)
Volpe
Wappel
Wood
Young (Beaches—Woodbine)—101

Bellemare
Berger
Black
Blaikie
Boudria
Broadbent
Catterall
Comuzzi
Crawford
Ferguson
Flis
Funk
Gagliano
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Karpoff
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacLellan
Maheu
Manley
Marleau
McCurdy
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Parker
Phinney
Proud
Riis
Robinson
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Whittaker
Young (Gloucester)

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Saint-Hyacinthe—Bagot)
Charest
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté

Andre
Attewell
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture

Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Duplessis
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Hudon
James
Johnson
Jourdenais
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
McLean
Mitges
Moore
Nowlan
O'Kurley
Porter
Redway
Reimer
Robitaille
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vincent
White
Assiniboia)—136

Crosby (Halifax West)
DeBlois
Della Noce
Dick
Dorin
Edwards
Feltham
Fontaine
Gibeau
Greene
Halliday
Hawkes
Hockin
Horner
Hughes
Jelinek
Joncas
Koury
Langlois
Layton
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McKnight
Merrithew
Monteith
Nicholson
Oberle
Paproski
Pronovost
Reid
Richardson
Roy-Arcelin
Scott (Hamilton—Wentworth)
Siddon
Soetens
St-Julien
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilson (Swift Current—Maple Creek—

[*Translation*]

Mr. Speaker: I declare the subamendment lost.

Mr. Prud'homme: Mr. Speaker, I would not like to take undue advantage of your kindness, but perhaps you will allow me to point out that today, the Hon. Member for Papineau—Saint-Michel (Mr. Ouellet) has reached the half-century mark, together with his friend. the Hon. Member for Carleton—Gloucester (Mr. Bellemare).

[*English*]

Mr. Speaker: It being 6:15 p.m. this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Friday, April 7, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, April 6, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her speech at the opening of the session, and on the amendment of Mr. Turner (Vancouver Quadra):

> That this House regrets that Your Excellency's advisors continue to show indifference toward the economic and social well-being of lower and middle-income Canadians and contempt for Canadian democratic institutions by dishonouring commitments to the Canadian people with regard to the implementation of the Canada-U.S. trade deal, by abandoning Canadian farm, fisheries and forest workers, by ignoring the dangerous acceleration of concentration of corporate power, by refusing to act properly and firmly to assure public access to and the safety of the Canadian transportation system, by abdicating responsibility for health care, housing and senior citizens, by failing to protect the rights of minorities across Canada, by deserting the federal role in research, technological and economic development, and by circumventing the authority of the House of Commons with regard to the expenditure of public moneys and by presenting Parliament a program empty of anything save a clear desire to dismantle the Canadian social safety net while imposing an oppressive and inequitable fiscal regime.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, this is the first opportunity that I have had in the Thirty-Fourth Parliament to address the House of Commons. I want to congratulate you and your colleagues most sincerely on your new responsibilities. You discharged those responsibilities in the past with distinction and I am convinced you will do so in the future as well.

Some Hon. Members: Hear, hear!

Mr. Beatty: I also am a veteran of sixteen and a half years in the House of Commons and want to welcome the new Members. I know that each of them will find the challenges here to be enormously rewarding. I think they will find that new friendships are built and that their time here is an opportunity for them to make a very important contribution to Canada.

I want as well to take the time to congratulate my critics on the opposition side of the House for their responsibilities. I followed with a great deal of interest the releases that were put out by the two opposition Parties with regard to the assignment of shadow Cabinet responsibilities. After a good deal of adding, Mr. Speaker, I discovered that the opposition Parties had appointed no fewer than 14 critics, co-critics, associate critics and assistant associate critics to monitor the health, the welfare, the state of our seniors and the fitness of our nation. All of us should be impressed by this new-found interest on the part of the Opposition. Most important, what is striking to me is that the Opposition has found a formula for work sharing that if it were to apply across the board in Canada, it could eliminate unemployment overnight, which is something I will commend to my colleague, the Minister of Finance (Mr. Wilson).

Some Hon. Members: Oh, oh!

Mr. Beatty: The past six months have been a period of great change for Canadians. In November this Government, once again, received the support of the Canadian people, winning the first back-to-back majority of any Government since that of Louis St. Laurent in 1953. We won support for our policies, for our leadership and for our plans for the future. As Canadians know, we signed the Free Trade Agreement to give Canadians access to larger markets, to provide more jobs and to increase the number of people capable of paying into our system of social benefits rather than simply drawing upon it.

We made a commitment then as we do now that the Free Trade Agreement will not destroy our Canadian culture, deprive us of our water or damage our social programs. Indeed, exactly the opposite is the case. Just as the Auto Pact has brought new prosperity to Canadians, so will the Free Trade Agreement. That prosperity

will give us the wealth that is necessary to support Canada's cultural life to enhance our environment and to extend our social programs.

Our network of social programs is an integral part of our identity as Canadians. We are proud of the fact that we have one of the finest health care systems anywhere in the world. We see the excellence of this system as one of the features which distinguishes us from our neighbours to the south.

[*Translation*]

For example, this year in Canada, we will spend some $50 billion, or $2,000 per Canadian, for accessible health care services of superior quality that meet the needs of our population.

[*English*]

That is a lot of money. Spending by my Department in support of health and welfare is, in fact, the largest single program expenditure which this Government makes. Even that figure is eclipsed by our annual interest payments on the national debt. That is why as we continue to improve our system we must do so in a financially responsible manner. We cannot afford to return to the recession of the 1970s and early 1980s when runaway inflation robbed the pensioners of their life savings, of their dignity and independence, when the level of unemployment was so high that young people looking for jobs were told that their skills were not needed. The sound base that we need to protect our social programs is a strong economic system.

Today, Mr. Speaker, some 31 cents of every tax dollar goes just to pay the interest on the mountain of debt that Ottawa has accumulated over the years. Unless action is taken quickly, that figure will grow and it will grow very rapidly indeed. If Canada is to remain solvent, the interest on the national debt is the first payment that must be made each year before anything else is funded, before pensions, health care, cultural programs, the defence of our nation and before environmental protection.

All of the programs that we think are essential for Government to provide for Canadians must share what is left after the interest has been paid. If the interest payments continue to grow unchecked, they will threaten not only our ability to bring in new programs to meet changing conditions but also our ability to maintain the programs which we have today. We owe it to our children upon whom we are piling this enormous debt burden and to those who depend upon Government to provide essential services to prevent that crisis from developing.

• (1010)

In Monday's Speech from the Throne the Government promised firm leadership in overcoming the environmental threat to our planet. This is a particularly important initiative from a health point of view.

For example, each 1 per cent decrease in the ozone layer can mean a 4 per cent to 6 per cent increase in certain skin cancers. Dirty water or contaminated food supplies can be responsible for food poisoning, cancers, and other disorders. The health of our nation is intimately linked to the safety of our environment, the air that we breathe and the water that we drink.

[*Translation*]

This Government's commitment to favour sustainable development, to clean up and protect our major waterways and to eliminate the scourge of acid rain will greatly improve the average Canadian's welfare.

[*English*]

This is only one of our commitments to an improved lifestyle. There are others. As we look for ways in the next four years to make progress in building a country where the health and safety of our citizens is paramount, we will be placing new emphasis on AIDS treatment and prevention, dealing with drug abuse, reducing family violence, implementing a child care program, finding better ways to treat diseases of the elderly, continuing the fight against tobacco and alcohol abuse, and launching a Royal Commission on Reproductive Technologies.

There is not time today to discuss all of these vital initiatives. However, I would like to touch on a few of them, starting with AIDS. Canadian doctors identified the first case in 1982. Since then they have reported 2,500 cases. Half have died already.

It is a terrible, fatal disease that is spreading throughout the world. The World Health Organization has estimated that 450,000 people may already have the disease and, in Africa alone, there may be 10 million people who have been infected by the virus that causes AIDS. In the United States AIDS has already claimed more lives than were lost in the Vietnam war.

It would be wonderful to be able to say that we have AIDS beaten. Unfortunately, we cannot do so. We have no effective cure and we do not expect a vaccine until the end of the century. Hundreds of thousands of lives will be lost before the disease is finally eradicated, but it can be beaten if we commit ourselves to finding a solution.

The lives of the people affected by the HIV virus can be lengthened and brightened immeasurably if we act in an intelligent and compassionate manner.

Most important, we know how people get the disease, and that it is very difficult to get if the correct precautions are taken.

In the past few weeks I have had the opportunity to meet with a number of groups fighting the disease and to visit an AIDS hospice, Casey House, in Toronto. I was impressed with how many people have become so involved in helping to deal with the epidemic. I was deeply touched by the courage of both the people who are living with AIDS, and of the people who care for them. They left me with a new sense of hope.

Research and education has lengthened the probable life span of someone diagnosed with AIDS from 24 months to as much as 36 months, and possibly more. There has been a resulting change in philosophy from simply helping someone to die with dignity to improving their quality of life and teaching them how to live with the disease.

While I am very concerned about the spread of AIDS, I am also very worried about the misinformation that spreads along with it. A survey conducted in Ontario found that most people do not want to be exposed to AIDS patients. One in five believes that children with AIDS should not be allowed to attend school.

Some public officials have called for the isolation of people with AIDS, in some cases by removing students from school and in other cases by taking away the jobs of people who have AIDS.

Instead of receiving understanding and respect for their human dignity, people with AIDS are faced with losing their families and friends and having their homes and their jobs taken away from them. It is a cruel and a destructive reaction by a society that considers itself compassionate and civilized.

From a public health perspective it would be difficult to think of a better way to spread the disease than to drive those who are afflicted underground.

I have been in contact with my colleague, the President of the Treasury Board (Mr. de Cotret), to discuss adopting a policy for federal employees encountering AIDS in the workplace. I hope by setting an example at the federal level we can encourage other Governments and organizations to adopt guidelines which are reasonable and safe, and which respect individual rights and human dignity.

We are working hard at the federal level to improve our research and develop our educational programs. We have established a Federal Centre for AIDS and have so far committed $168 million to research, education, and community outreach.

AIDS is a problem that respects no national borders. To stop its spread we will have to pool our resources and information at the international level. For this reason we have dedicated $17.5 million to the World Health Organization's Global Program on AIDS and, in June, we will host 10,000 participants from around the world to the Fifth International Conference on AIDS in Montreal.

There are a number of other health and welfare issues that also need urgent attention.

As the father of two children, I am keenly aware that there is not a community in Canada where illicit drugs are not available. When I was Solicitor General I was shocked to receive estimates by the RCMP which indicated that each year Canadians spend almost as much on illegal drugs as they do on the defence of our country—over $10 billion dollars a year.

Our police forces have been very good at enforcing our laws and dealing strongly with traffickers, but the more that I learn about the issue, the more I realize that simply enforcing laws will not free this country from illegal drugs. Even in prisons, where we maintain 24 hour supervision, we are not able to get rid of drugs completely.

The difficulty, of course, is that if we dwell exclusively on enforcement, we are focusing attention on the symptom and not on the cause. Enforcement is essential, and we are committed to taking the profit out of crime, but we cannot deal with the issue by force alone. We have to provide treatment, adequate legislation and, most important, we have to remove the demand for drugs.

Last month I signed seven federal-provincial agreements which will provide funding for alcohol and drug abuse programs throughout Canada. I expect to be signing similar agreements with other provinces over the next few weeks. These agreements, which will provide $20 million this and each subsequent year, are part of our Government's five-year National Drug Strategy, designed to help those caught up the in the vicious circle of drug abuse.

Our current legislation is complex and not totally responsive to emerging trends in drug abuse. The recent increase in the use of "designer drugs" and "look alike drugs" which are not covered by the Narcotic Control Act or the Food and Drug Act is an ongoing problem.

It is a problem which will be addressed shortly when we introduce legislation on psychoactive substance control to control the sale of those new drugs. The Bill will strengthen our ability to combat traffickers, while removing obstacles to the proper medical and scientific use of psychoactive substances.

One of the awful things about drug abuse is that it usually involves our young people. The more I learn about the problem, the more convinced I am that this is only one area where the needs of our youth are not being fully met today.

A truly civilized and caring society must put a priority on our children. Since 1971 the proportion of one-income families has fallen to 25 per cent of all families, while the number of two-income families has risen to almost half. Combined with this is the fact that the number of single parent families is rising rapidly.

[*Translation*]

There is no doubt that child care is an important matter and that the Government must actively support this service. During the past year, the federal Government spent about $625 million on it, as much as all the provinces together.

[*English*]

We have a $100 million Child Care Initiatives Fund which, among other projects, is funding a conference of 1,200, organized by the Canadian Child Day Care Federation, being held in Winnipeg as we speak. As the Prime Minister (Mr. Mulroney) stated in his address yesterday, we remain committed to implementing a national child care program. Until we pass new legislation, we will continue to support provincial funding of child care programs through the Canada Assistance Plan for those families most in need.

• (1020)

I am also deeply concerned about the incidence of family violence and child abuse in Canada. A 1987 report by the Canadian Advisory Council on the Status of Women estimated that as many as one million women in Canada may be battered each year by the men they live with. The Badgley Report stated that 42 per cent of the population have been victims of unwanted sexual acts during their lives and that most of the victims have been children. Those are shocking statistics. They require Government action.

Family violence inflicts devastating costs on individuals, on families and on society as a whole. That damage, both physical and emotional, can have long-term effects on people's lives.

We are currently in our first of a four-year program which involves six federal Departments and $40 million to help to address the problem of family violence. One of the cornerstones, Project Haven, is a program operating through CMHC to build 500 new emergency shelter units across Canada. All together our new shelters will enable us to house an additional 25,000 battered women and children each year.

Because we recognize the importance of community participation, we funded 89 projects last year to improve our response to family violence. These projects range from a national survey of elder abuse to sensitivity training for teachers, doctors and lawyers who may be able to detect and help in instances of abuse. The sexual abuse of children is one of the best examples of the painful and concealed problem which must be confronted openly and honestly.

We have many projects and substantial funding devoted to this problem, but realize that there is a pressing need for better information on what is often a family's deepest and darkest secret. For this reason I have a special advisor on child sexual abuse, Mr. Rix Rogers, who will be reporting to me by this fall on how best to proceed with federal initiatives.

[*Translation*]

Finally, we must deal with an aging society. During the next 15 years, the number of elderly in Canada will more than double. We must find ways to help seniors age serenely, while maintaining their independence and quality of life as long as possible.

[*English*]

It is heart-breaking to see an otherwise healthy senior citizen whose mind has been afflicted by Alzheimer's disease or has been crippled by osteoporosis. The Department of National Health and Welfare will commit an average of $4 million each year to research into diseases which inhibit the independence of our older people. Our challenge is to achieve a healthy and productive life for every Canadian.

These are just some of the areas which I believe deserve more attention. Mr. Speaker, you will see a renewed commitment in the fight against AIDS and drug abuse. We will develop further our programs on child sexual abuse and family violence, the hidden tragedies which can destroy people's lives. We will encourage research into diseases associated with aging so that seniors can have lives of independence and dignity.

Today, April 7, is World Health Day. In Canada we are blessed with high standards for health and quality of life which are not shared by much of the rest of the world. In many countries, the issue is not the quality of life, it is survival of the self. As we develop our health system through legislation, research and education, we must help Canadians to help themselves, and also to help those who are less fortunate.

[*Translation*]

We have reason to be proud, but we must also be realistic about the problems facing us. I have the firm hope that by working together, we can make real improvements.

[*English*]

It is a challenge that is worthy of us all. It is one that will pay very rich rewards indeed if we succeed.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there questions or comments?

Mr. Althouse: Mr. Speaker, I have two short comments and questions to ask of the Minister of National Health and Welfare(Mr. Beatty). As he began his remarks he talked about the mountain of debt that the Government has got to work with. I am very concerned about that, as are all Canadians.

I just wondered if he would be more explicit. My understanding, as I go back through the records, is that in 117 years before this Government took over the mountain of debt it had accumulated was somewhere in the $150 billion to $160 billion range. In the next four or five years this Government has apparently run it up to an accumulated deficit of somewhere in the range of $220 billion or $225 billion. I am wondering just how much responsibility for that mess his Government is willing to take.

As well, the Minister spoke about the useless unemployment that was created before his Government took over. I am wondering if he would look into or admit to the use of bureaucratic means to achieve less unemployment. I refer to the situation that applies in many rural areas where the unemployment insurance department refuses people unemployment insurance unless they will abandon their small communities and go into the cities for jobs after they have lost jobs in those small communities. Those people no longer show up in the statistics. They are just as unemployed as they were before.

Mr. Beatty: Mr. Speaker, I appreciate the Hon. Member's questions and I will try to deal with them in a serious way. The issue of debt is one which is continuing to grow in Canada. We are proud of the fact that this Government took a deficit of some $38 billion which we inherited and in each of the four years following that we were able to cut that federal deficit and ultimately to reduce it by some $10 billion a year. But that is not good enough.

What we are doing is simply reducing the rate at which the national debt continues to grow. If our concern in this Parliament is to provide for our children in a way that is compassionate, that understands and anticipates their needs, it is important that we not simply defer to future generations the responsibility for coming to grips with that growing national debt.

Most important, as the Minister charged with the responsibility for Canada's social programs, I know that when we reach a stage where 31 cents out of every dollar that is being raised from the taxpayers of Canada is going just to service the interest on the national debt, and that this figure continues to grow year after year, it poses a very real threat to the very survival of Canada's social programs.

The Hon. Member raises a question in which there was a partisan element, but I think the question was a serious one. It deserves a serious response.

Canadians from one coast to another have a right to expect a serious debate in Parliament and across the country about, first, whether we acknowledge as a priority that Canada's economic house has to be put in order, that the Government of Canada is not immune from the laws of economics, that we cannot repeal them and that the same rules govern ordinary households, small businesses or family farms have to apply to Government as well. One cannot constantly be spending more money than one is bringing in without very serious problems indeed.

Does every Member of Parliament acknowledge that there is a critical and growing problem with this mountain of federal debt? That is the first question.

Mr. Milliken: Why didn't you do something about it over the last four years?

Mr. Beatty: Exactly. Let us start with an acknowledgement from all sides of the House—if we can get it—that there is a real problem. Then let us have honest solutions proposed, not sophistry, not sleight of hand, but honest solutions proposed from all sides of the House about how to attack this. What we have seen, Mr. Speaker, in the House of Commons in Question Period and in debate over the course of this week is constant calls by Members of Parliament to increase spending, not to make any cuts in any areas, not to change the tax system but to simply defer to future generations dealing with that national debt.

Second, the hon. gentleman asked me about unemployment. I will respond to it very quickly. I also represent a rural area. What I have seen since 1984 is a dramatic turn around in terms of the opportunities for Canadians to participate fully in the labour force. This has happened across Canada where some 1,300,000 new jobs have been created. This is not sleight of hand. It is real, and I would welcome the Hon. Member to come to my constituency, my rural area. I would be pleased to show him an example of Canadians who have been able to find productive and meaningful work, not work-fair, not hand-outs and short-term jobs provided by Government, but meaningful, constructive, productive, challenging and secure jobs in the private sector as a result of the new economic climate. We are determined to build on that to provide new opportunities for other Canadians as well.

• (1030)

Mr. Waddell: Thank you, Mr. Speaker. I found the Hon. Minister's remarks on AIDS very sensitive and important. Just a couple of weeks ago I attended a funeral for one of my campaign workers, a person I have known for a long time, who died of this terrible disease. I have read Randy Shilts' book, *And the Band Played On*, I believe it is called, which demonstrated the American response as pretty pathetic. Health care was held back by discrimination and by bureaucratic inertia. It was sometimes held back by outright lies to the people in that it was known that the blood banks were probably contaminated and nothing was done about that for at least a year. The book is a pretty sad indictment.

I hope that the Hon. Minister's and his Department's actions Are as strong as his words on this matter. He made a reference to setting an example at the federal level. I would draw his attention to the work of the City of Vancouver, especially the Board of Education, and the work that was done there at the municipal level. It has not been the federal level that has been so active there. It has been the municipalities that have dealt with the matters of discrimination. I would compare the response by the elected officials and the politicians of the City of Vancouver, for example, with the pathetic and ignorant response of Andy Haydon from the greater Ottawa regional district, or whatever it is called. So I hope the Minister will look at what Vancouver has done.

What occurred to me in reading the material was that here we have our scientists, the disease control centre, the American scientists, the world scientists if you like, looking at solutions, trying to find a vaccine and trying to find ways of treatment, new drugs. There is a drug called pentamidine, as I understand it, which helps with pneumonia cases. The Canadian Government was very slow to allow people with AIDS to use it. So I want to ask the Minister two questions. One, what is happening in terms of making new experimental drugs available more quickly to people with AIDS? Second, how does he feel about what our scientific efforts should be in research? Should we be doing it here in Canada? Should we be helping the Pasteur Institute in France, or helping the Americans in Atlanta and elsewhere, or should we be doing the research here?

Mr. Beatty: Mr. Speaker, that was a very thoughtful intervention by the Hon. Member. I think any of us who have lost a friend or colleague to AIDS cannot help but be moved by the human element of the disease. Indeed, one of the things that perhaps allows the sort of insensitivity we have seen in all too many cases across Canada is the fact that it is possible to de-personalize it and say this is somebody we do not know who has not touched my life and whose life is in jeopardy, and so I am not threatened by it, that we should ghettoize these people and shut them off from the rest of society.

I could not agree more fully with the Hon. Member that all too often the response has been that when support and assistance were most needed, people with AIDS would be told they could lose their jobs, their family, their housing or their friends as a result of having contracted the disease. It is a disgraceful response by a society which claims to be civilized.

Yes, Mr. Speaker, we will look at examples from Vancouver and elsewhere. What disturbs me is that the Hon. Member cited another case where people were not fairly treated, and I fully agree with him. I also read Randy Shilts' book. It is a powerful indictment as to the way in which governments have dealt with the issue of AIDS.

The Hon. Member mentioned one incident that has taken place. There is another involving a school board near Toronto which announced a policy of excluding people with AIDS from the school system. It is disturbing that these are common examples, outrageous examples of what people living with AIDS can in many instances expect from one coast to the other, and that is what we have to change.

The Hon. Member asked me two specific questions. The first is in regard to what is happening as far as making new drugs available. We are working very closely with the drug companies in order to encourage them to bring drugs on to the market. Secondly, we have written to doctors to indicate to them that the Emergency Drug Release Program is in place, that for drugs that are not approved in Canada as yet, emergency release can be made if a doctor gets in touch with the Department of National Health and Welfare and indicates that he or she believes it is important that the drug be released to a patient. This should help to bring these new drugs to patients more quickly.

Mr. Speaker, one of the key issues that has been of concern to people working with AIDS and to the gay community has been the question of drug trials in Canada, the issue of double blind placebo testing. One of the things they have pressed for is to ensure that there are elements as well of so-called open-arm testing which will enable people who are afflicted with the disease to have the opportunity to take advantage of new drugs.

Mr. Speaker, I will be communicating with the drug companies in Canada to make it clear to them that the Federal Government will entertain and approve proposals made by Canadian pharmaceutical manufacturers which include responsible programs for open-arm testing. I think this will also help to make these pharmaceuticals more available to people.

Finally, Mr. Speaker, the Hon. Member asked me how we should be focusing our limited research dollars. Should we be doing everything in Canada or should we be co-operating internationally? I think the answer must be both. Clearly, AIDS is an issue which cuts across all national borders. It is important that we co-ordinate and not replicate work that is being done elsewhere. There are unique contributions that our researchers here in Canada can make, and I want to see us identify those in conjunction with people working in the community to target our money where it can be of the greatest benefit to try to find a cure for this dreaded disease.

Mr. Dennis Mills (Broadview—Greenwood): Thank you, Mr. Speaker. As a new Member, I consider it a privilege to stand up and address the Speech from the Throne.

Before I become specific on the Speech from the Throne, I would like to go back to an incident that happened in my family about three weeks ago. My 13 year old daughter, Jennifer, came home from school and said, "Dad, we had a career day in class today. We all had to tell the kids what our fathers and mothers were doing in terms of their careers. When I told them you were a Member of Parliament, I received a lot of derision". She said, "I was really embarrassed to tell them. They were not only laughing at me, but they said their parents thought the life of an MP was one where you earn a lot of money but do not do a lot of work, that they see you in the House of Commons every day laughing at one another, making snide remarks at one another". As a result, I kind of reflected and wondered, what am I doing here? How did I get into this?

I went back to 1978 when I first came to this city and met a public servant by the name of Craig Carpenter who had worked for over 25 years in the Public Service of Canada. He was a man who not only loved his job and loved the Public Service, but loved Canada. He provided a lot of inspiration for me.

That experience led to the rare privilege of working with the Rt. Hon. Pierre Elliott Trudeau. He also loves this country. He understood the Public Service and he knew that the Government of Canada is responsible for policy-making for all Canadians, especially those regions of the country that need special help and those people who are disadvantaged.

It was that inspiration that led me to run in Broadview—Greenwood in the last election. When I debated and when I knocked on doors, I would tell my constituents, "If you vote for me, you will not just be voting for someone who will service Broadview—Greenwood. I told them I wanted to go back to Ottawa because I wanted to speak for Canada, not just Broadview—Greenwood, not just Toronto, not just Ontario, but for all of Canada. So with that in mind as my reason for being here, I want to start from the outset with the number one concern in my riding and how it was addressed in the Speech from the Throne, that being free trade.

• (1040)

Over 80 per cent of the people of Broadview—Greenwood voted against the free trade deal. It is not that the people of my riding were against freer trade. I am a business man and I am not against freer trade, but I did say repeatedly that I do not believe that chapter 16 of this contract, unlimited, unregulated investment, will work.

This country was built with regulated investment. I am not against foreign investment. In the last 90 days before Parliament resumed, we saw enough mergers and takeovers. The Government should have been right up front in terms of the free trade deal and should have mentioned right from the outset that it would make sure that the only instrument we have left, the bureau of competition policy, would get all the support it needed to make sure that these mergers and takeovers were in the best interests of Canada. The point I am trying to make is that I just do not understand how we can control the Canadian economy when we have given away the levers.

This is an area in which the Speech from the Throne was sadly lacking. I only hope that over the next little while, the Government will refocus on this issue before we go too far down the track.

The second issue that excited me about the Speech from the Throne, and I say this sincerely, was the issue of the environment.

Before I get any further into my remarks, I want to say that in the last few days when calling home and talking about the Speech from the Throne, many people asked me what a Speech from the Throne is, what it means. I say to those in my constituency and others who are listening today that a Speech from the Throne is like a list you have at home, a list of all the things you are going to do over the next three or four months in your house, whether it be shopping for groceries, making repairs or planning the program you will live by in your house.

I want to tell this House that I think the commitment to the environment in the Speech from the Throne was good. I only hope that the vision in that Throne Speech can become action. If it does not become action, then again we go back to rhetoric. The Minister has an opportunity to be not only a national hero but an international hero if he implements this vision.

Thinking of the environment, I want to touch on Meech Lake for a minute. I ran in my riding promoting the amendments to Meech Lake. Make no mistake about it, it was a serious issue in Broadview—Greenwood. Many people were focusing on the Meech Lake Accord. One of the things we talked about was national programs.

National programs create national will and from national will we get patriotism. I believe that the Minister of the Environment (Mr. Bouchard) has an opportunity to make sure, through the issue of the environment, that we create national will. No province should be allowed to opt out of any national program dealing with the environment. This will lead this Minister of the Environment to realize that just maybe there is room for one or two amendments in the Meech Lake Accord. I think his environment portfolio will lead to that realization.

The environment is not just a national issue, it is an international issue. This Government tends to think of cutting, cutting, cutting. It should focus more on creativity. I want to be constructive here. The Hon. Member who spoke previously spoke about using this House in a positive way. I want to participate in this House in a positive way, so I want to throw some creativity at the Minister of the Environment.

For many years, we have been known for our peacekeeping forces around the world, in Cypress, the Middle East and elsewhere. Why can this Minister not organize environmental forces that will go around the world in times of crisis? The incident in Valdez would have been one place where the Minister could have sent a special environmental force. The environment is not a local or national issue, it is an international issue, and I do not know of a Government in the world that, in a moment of crisis, would turn down a special Canadian force on the environment. I hope the Minister will consider this a constructive idea.

When I was walking along Rideau Street the other night, I passed by the armouries on Wurtemburg Street and saw the millions of dollars worth of equipment sitting there idle. We have to turn some of these forces into constructive use for the environment.

As well, I want to address you, Mr. Speaker, on the issue of the environment. My House of Commons business card is on recycled paper, but I could not get the House of Commons to print this business card because it was not printed on Canadian paper. If we are to be serious about the issue of the environment, we should begin right here in this House. The Speaker should

consider a directive that all Members of Parliament use recycled paper for their cards and stationery. If we are to be serious about this, it should start right here in this House.

I want to continue speaking about the environment for a few more minutes. My riding is very excited about hosting this September the first populace summit on the environment in the Don Valley in Toronto, and I must say we are getting terrific support from the Department of the Environment and from the Minister of the Environment, and the diplomatic corps in the community is coming together. This is the kind of action that we need on a constant basis if we are to get ahead of this issue.

Being very specific again, I want the House to know that I share many of the concerns about the deficit, but as everyone has to believe on this side of the House, the deficit should not be put on the backs of those people who are least capable of handling it. Again, we have an opportunity to look at the deficit in a different way. Why not create a larger economic pie? Why not use environmental technology?

In Vancouver, there is an organization that has created clean air technology, Ballard Industries on the North Shore. They need $10 million to go into production, and by the turn of the century, they could have a billion-dollar industry which will create tens of thousands of new jobs. The Government would get all kinds of support in creating new environmental technology which will serve not only the environment but our deficit.

There is an organization in Burlington, Ontario, that is working on reverse osmosis. We should get behind these organizations that for years have been suffering without support because the environment was not at the top of the agenda. If we can give them that support right now, I think they will generate the kind of money that will address the deficit in a constructive way.

That is why the Government has to be very careful in the next four years. For the last while, the focus of the Government has been on the bankers it knows and the armaments it builds up. It must shift its emphasis to the mouths we have to feed and the environment we have to protect. That is where we should be going.

I also want to deal with the section in the Speech from the Throne about the caring nation. I could not get over the lack of concern in specific terms for the senior citizens of Canada. The Government, in its very first Budget, shook the seniors of Canada in an unprecedented way. I would have thought it would have been much more sensitive in light of what has been going on, and I think this not just because seniors represent 50 per cent of the riding of Broadview—Greenwood.

The seniors of Canada have worked for years to make this country what it is. I will not prejudge the Budget, because I do not know what is in it, but God forbid that this Government should tamper with the seniors of Canada again. I can only hope that that will not be the case.

• (1050)

I also want to talk about another specific issue. In my riding a basement apartment less than 600 square feet rents for about $1,350 a month. How can a single mother or father handle that?

The Government has talked about a national day care program and its legislation, Bill C-144, was ready to proceed. While it needs amendment, we must begin an action plan on this issue immediately. A national day care program is essential, not only for ridings like Broadview—Greenwood but throughout the country. It is another area where the vision must become a reality.

My last point about a caring society concerns drugs. In my riding drugs are being sold to children in grade school. Some four months ago a principal of a grade school in my riding came to me with a mason jar filled with syringes. He said he had found it under the portable classrooms.

The drug issue is very serious and I suggest the Government consider establishing a drug czar who would have access to all the communications resources, technical resources and the resources of the RCMP. The problem is already far out of hand and God forbid that we should see an environment developing here similar to the one in Washington today. We should learn from the example in Washington and prevent the problem from occurring here. The Government should start by appointing a drug czar who would bring special focus to this problem.

I have talked about free trade, the environment, seniors, day care and drugs. Now let me make a point about the Public Service of Canada. I have noticed in the last six months that there is a great deal of lethargy in the Public Service of Canada at present. The Government

should be addressing this problem. Many do not realize that the Public Service of Canada is the engineroom for this Chamber. I have talked to many public servants who believe in their jobs as a vocation. Many public servants believe in Canada but they have faced too much pressure as a result of cuts imposed by the Government, cuts that have not always been correct. I make this statement constructively.

I am not proposing to fatten the Public Service, but many good public servants have been ruined because the Government has made cuts in the wrong area. For example, our immigration officers here and abroad are under tremendous pressure. Many other public servants in other departments should be given the proper assistance to implement the policies that come from this Chamber. It has been said that you are only as good as the factory. The factory must be in good shape but right now the Public Service is demoralized and needs serious attention.

Finally, I want to talk about multiculturalism. I am not convinced that the present approach to multiculturalism is the correct one. We should take an entirely different approach to the area of multiculturalism.

The Government should consider a super ministry of culture which makes multiculturalism our national symbol. This issue has been given simple add-on status to a department for too long. I know that my co-critic shares this view.

I hope this matter is put on the agenda early in the Government's mandate. Perhaps we can learn from Walt Disney who had inscribed on his hard hat, when he was building Disneyland, the word "imagineering". It is a blend of imagination and engineering which made Disneyland what it is. We have to apply that blend of imagination and engineering to much of the public policy we discuss in this House.

In conclusion, it was 10 years ago when Craig Carpenter and Pierre Elliott Trudeau inspired me to get into public life. I only hope that our activities in this House in the next few years will cause me and all of us to set an example that will encourage other Canadians to get into public life. My ultimate satisfaction will be for my daughter Jennifer to finally go back to school and be proud that her father is an MP.

Mr. Waddell: Mr. Speaker, let me congratulate the Hon. Member on his maiden speech. What is the present position of the federal Liberal Party with respect to the Meech Lake Constitutional Accord?

Mr. Mills: Mr. Speaker, the Hon. Member knows what the Party position is. We in this House voted for and supported the Meech Lake Accord, with nine amendments which the press has never reported. I realize that the Hon. Member's Party has amendments as well, but not as many.

An Hon. Member: Not as good.

Mr. Marchi: Mr. Speaker, I want to congratulate the new Member of Parliament for Broadview—Greenwood (Mr. Mills) for sharing with the House and all colleagues a fresh vision from Broadview—Greenwood. It behooves that Member in the far corner to ask a question about the position of this Party on Meech Lake as opposed to taking a look at his own Party.

Perhaps while I have the floor I can ask the Member to go into some detail about the environmental conference he is initiating not only on a local basis but on an international scale?

Mr. Mills: Mr. Speaker, this is an opportunity for the Government and the private sector to get together. I salute the Loblaw Company, the largest food company in the world, which has decided to get behind our world summit on the environment in the Don Valley. We now have the support of all levels of government, the Province of Quebec, the Province of Ontario. We will have over 70 speakers coming from around the world. It will be the first populace summit on the environment that has ever been held on the planet. In the past these summits have been for politicians and specialists on the environment. I want to extend a personal invitation to every Member of the House to attend.

[*Translation*]

Mr. Deputy Speaker: It being eleven o'clock, the House will now proceed to Statements by Members, pursuant to Standing Order 30.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—CONTACTS BETWEEN CANADA AND PALESTINIAN LIBERATION ORGANIZATION

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the recent initiative by the Government of Canada to upgrade its level of contact with the Palestinian Liberation Organization and to reinforce its support for self-determination for the Palestinians is to be commended.

Canada has long been well regarded by all parties in the Middle East as a peacekeeper and a moderate, trusted voice. This move will further reinforce that position.

* * *

HEALTH

WITHDRAWAL FROM SALE OF DRUG ADVOCATED

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, Canada is the only country in the world still selling Diclectin, the generic copy of Bendectin, an anti-nausea drug which has been linked to birth defects when taken by pregnant women.

Bendectin was voluntarily withdrawn by its manufacturer in 1983 because of the high number of lawsuits brought by parents on behalf of children with birth defects linked to this drug. Why Canada would continue to allow the generic copy to be sold when so much uncertainty surrounds this product is incomprehensible.

The Government claims the drug has not been withdrawn because there is insufficient proof it causes birth defects. Many Canadian families do not agree. These people have not a shadow of a doubt that their child's defects are directly related to this drug.

I therefore call on the Government to launch a full investigation immediately into the drug Bendectin and its generic Diclectin, and to prohibit the company from marketing this drug until such time as it is proven safe for use.

I think Canadian families have every right to be heard in this matter rather than just a word given to the Department of Health and Welfare and by the manufacturer of this drug. The Department of Health and Welfare has never done an investigation into this drug.

[*Translation*]

MUNICIPAL AFFAIRS

TRIBUTE TO DYNAMISM OF SEPT-ÎLES

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, the Chamber of Commerce of Sept-Îles is celebrating its 35th anniversary this year. The Chamber is organizing several events, including an evening to recognize its former presidents. This will be held on Saturday, April 8 and will highlight the involvement of many women and men in improving the community, economic and cultural life of Sept-Îles.

I am pleased to call on all Members of the House of Commons to join me in paying special tribute to all the people of Sept-Îles who over the last 35 years have worked together to make their community a dynamic, well-organized city. Special mention goes to Gustave Blouin, one of the founders of the Chamber who represented the riding of Manicouagan in the House of Commons for many years.

* * *

[*English*]

NATIONAL ARTS CENTRE

CALL FOR RETENTION AS ENTITY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, two days ago it was reported that the Minister of Communications (Mr. Masse) was considering cutting, slashing and/or privatizing all or part of the National Arts Centre. Such a move would be viewed with dismay by the vast majority of Canadians, Canadians who view the promotion of arts and culture as a national priority and one for which the National Arts Centre is a leading institution.

Moreover, slashing the National Arts Centre would be devastating to my riding of Nepean and the National Capital Region as a whole. Were the NAC Orchestra to be privatized, a move that is under consideration, the resulting hunt for corporate funding would have a chilling effect on the fund-raising ability of all the region's cultural groups.

Instead of another "Night at the Opera", and in keeping with the "commitment to the growth and development of Canada's cultural life" outlined in the Throne Speech, I urge the Minister of Communications to look for ways of increasing funding for arts and culture in Canada rather than ways of cutting it back.

S. O. 31

AWARDS AND DECORATIONS

FIRE SERVICES EXEMPLARY MEDAL

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, the Fire Services Exemplary Medal was established in 1985 and is one of three national medals honouring Canadians who serve the public in dangerous professions. Medals were previously established for the police in 1983 and Correctional Service employees in 1984.

Firefighters who have served 20 or more years with exemplary service are eligible to receive this honour only if they were active in service on or after August 29, 1985. Many Canadians who risked their lives in this honourable and dangerous profession are being discriminated against because they retired on or before August 28, 1985.

I urge the federal Government to recognize the great, personal risk taken by these Canadians, and to honour all who qualified on or before August 29, 1985.

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[*Translation*]

EXTERNAL AFFAIRS

LEBANON—REQUEST FOR IMMEDIATE CEASEFIRE AND GREATER ACCESS TO CANADIAN CONSULAR SERVICES

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, an immense world tragedy is now taking place before our eyes in Lebanon. What is happening there is unacceptable and the Government of Canada must be very active in the United Nations and initiate joint action with other countries for an immediate cease-fire.

More than 200,000 wonderful Lebanese Canadians of all religions beg us to increase our efforts to help poor, beloved Lebanon. We must support Lebanon's sovereignty and independence. Like the countries of the European Economic Community, the Vatican, France and the United States, all allies and friends of Canada, we must insist on the unconditional withdrawal of all non-Lebanese armed forces, except for the UN peacekeeping force. And we must offer diplomatic assistance to Lebanon in this cruel phase of its history.

I urge the Right Hon. Secretary of State for External Affairs (Mr. Clark) to please open a temporary office in Cyprus for all the consular and diplomatic requirements of Lebanon, since it is absolutely unacceptable and unthinkable to ask the Lebanese to go to Damascus for their consular needs. So I ask the Minister, the Right Hon. Secretary of State for External Affairs, to whom I will not put any questions today as I had warned him, to take this action. And I think that the 200,000 Lebanese Canadians of all religions will be eternally grateful to him.

* * *

[*English*]

WORLD HEALTH DAY

NECESSITY TO ADOPT HEALTHY LIFESTYLES

Mr. Bruce Halliday (Oxford): Mr. Speaker, as the Minister of National Health and Welfare (Mr. Beatty) stated this morning, April 7 is World Health Day. The international community has set this day aside to encourage us to reflect on health as a precious individual asset and to recognize the right of all people to health. It is also a day to remind us that health is the responsibility of both the individual and the community.

While action by Governments at all levels is an essential element in improving the health of people, it is not the whole answer. Individuals must share the responsibility for their own health by adopting healthy lifestyles. The acceptance of such personal responsibility depends greatly on the ability of our health workers, educators, and decision-makers to communicate appropriate health information to every man, woman, and child. In an effort to address that need, the theme of this year's World Health Day is "Let's talk health/*Parlons santé*".

* * *

THE FRANCHISE

EXTENSION TO CANADIANS WORKING ABROAD

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, in the last Parliament, I introduced a Private Member's Bill and a motion to give Canadians who work abroad, for example, the workers for CUSO, and other non-government organizations, the right to vote in Canadian general elections. Canadian diplomats and soldiers can vote but not others who are working abroad. I had a good hearing in committee, but when the legislation came forward there was no change.

About a week ago I saw the Soviet elections. Every Soviet citizen working or vacationing in Canada went to the Soviet embassy and voted on election day. I say, Mr. Speaker, are the Soviets more democratic than we Canadians? I ask you, Mr. Speaker, let's have a little more *perestroika* here in Canada. Let's catch up to the new Soviet democracy and allow our non-government organization workers who work abroad to vote in Canadian elections by going to a Canadian embassy.

WINE INDUSTRY

PRIORITY SOUGHT FOR USE OF CANADIAN WINES AT PARLIAMENTARY FUNCTIONS

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, within the past few weeks the federal Government and the Government of Ontario reached a final agreement to ensure compensation is given to Ontario grape growers for the removal of surplus vines as well as of those vines which do not yield the varieties of grapes conducive to producing premium wines. This action will allow the grape and wine industry to further develop high quality wines.

Given the extreme competitiveness of today's market, the continued enhancement of premium wines is crucial to the long-term survival of the Canadian wine industry.

It is very important that all Canadians realize that we have in our own backyard, wines which have won awards at many international competitions.

In support of this industry, we as parliamentarians should continue to ensure that Canadian wines are given priority when planning events to be held in conjunction with the House of Commons, as well as events sponsored by the various political Parties and associations.

* * *

• (1110)

WORLD HEALTH DAY

POOR HEALTH OF ABORIGINAL PEOPLES

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I rise today in recognition of World Health Day. While this is a very important occasion around the globe, I would like to draw Hon. Members' attention to a health crisis which exists right here in our own country.

It is no secret that the health of Canada's aboriginal peoples is a most pressing issue. Housing shortages have led many to live in sub-standard housing. Inadequate water and sewer infrastructures have contributed to the poor health of First Nations. Insufficient funding for health care services and facilities does not meet the increasing needs of those trying to rectify the situation.

S. O. 31

In recent months we have heard of PCB contamination, mercury pollution, and tuberculosis outbreaks in some native communities, some of which are located in my riding.

I urge the Government to make a firm commitment to improved funding for programs which will ensure that the health of our First Nations people is restored.

* * *

[*Translation*]

THE ENVIRONMENT

GOVERNMENT PRIORITIES

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I am delighted with the strong emphasis on the environment in the Throne Speech.

As a Member of Parliament who is concerned about our quality of life and has been militant in environmental affairs in the last few years, I wholeheartedly support the various initiatives announced in the Throne Speech: to promote sustainable development; to enlarge the responsibilities of the Department of the Environment to ensure that environmental issues are fully considered in the course of its decision making; to negotiate an acid rain accord with the United States; to develop and adopt clean production processes; to improve the quality of our water; and to establish the Environmental Partners Fund.

These initiatives are a response to my own expectations and demands and those of my fellow citizens.

Mr. Speaker, it is clear that the Progressive Conservative Government has made the environment one of its top priorities and intends to continue the unique leadership it has shown in this area.

* * *

[*English*]

NUCLEAR ARMAMENTS

PROGRESS TOWARD INTERNATIONAL TEST BAN TREATY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on April 5 an unprecedented breakthrough was announced in the effort to end nuclear test explosions. Under the terms of the partial test ban treaty signed in 1963 by Khruschev and Kennedy, a conference must be convened to discuss its conversion into a comprehensive test ban if so requested by one-third of the 116 countries which originally ratified it.

The breakthrough came last week, Mr. Speaker, when Tanzania added its name to a list of 38 countries calling for the amendment conference. It is incomprehensible that the Canadian Government remains opposed to this progressive move which would open the doors to further dialogue on the reduction of nuclear arms. To doom negotiations to failure before they have begun is very unwise.

We must do all we can to rid the world of life-threatening nuclear arms now, and our Government should encourage and support the amendment conference which would bring us closer to this goal.

* * *

TAXATION

PROPOSED NATIONAL SALES TAX—FORECAST OF IMPACT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, today Liberal and Tory Finance Ministers from across the country are gathering behind closed doors cutting a deal on a national sales tax. That deal will be one of the biggest tax grabs in the history of our country.

How big is that Tory tax grab going to be? The former Chairman of the Finance Committee said some $10 billion. The Ontario Minister of Finance says $14 billion. I suggest that ordinary Canadians hang onto their wallets because this tax will amount to about $1,000 for every man, woman, and child.

That Tory tax grab will mean a sales tax in many provinces of 16 per cent, 17 per cent, 18 per cent, and 19 per cent. For the ordinary Canadian people this will be recessionary. It will drive up the inflation rate, interest rates, and unemployment.

I say to the Canadian people it is time to stand up and say no to the Tory tax grab. Say no to the Tories trying to take more money from your pockets. No.

* * *

IMMIGRATION

DEMAND THAT OFFICIALS APOLOGIZE TO COMMUNITY ORGANIZATION

Mr. Sergio Marchi (York West): Mr. Speaker, several weeks ago the immigration office in Toronto refused to provide a briefing on the new refugee legislation to a community organization in the community of Jane Finch in my riding of York West. The reason for this was that the officers said the community was "too dangerous" to enter.

I wish to tell the Minister and the Government that this was a slap and a severe blow to the integrity and the fibre of that proud community.

Jane Finch is not some simple geographic intersection. It is a proud community made up of proud, hard working Canadians, which deserves full and equal service. In addition to slamming the integrity of the community the Government is also undermining the principle of equal service to all Canadians, regardless of who they are and where they live.

I call upon the Minister of Immigration (Mrs. MacDougall) to reverse this very offensive behaviour by her officials, and to render a public apology to the community and immediately establish a proper briefing for an organization that is willing to co-operate and work hand-in-hand with the Government on refugee legislation.

The community is sick and tired of people who cast innuendoes and very easy stigmas on a community that has to work very, very hard to refute unfair allegations.

* * *

THE LATE MURDO MARTIN

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise today to pay tribute to Murdo Martin who served as the Member of Parliament for Timmins from 1957 to 1968, and who passed away in January.

Murdo's years of service to our country started during the Second World War when he served overseas with the Canadian Army.

Murdo was a firefighter and was very active in his union where he became the president. He also was president of the Cochrane District Labour Council and of his local credit union.

He presented himself as the CCF candidate in Timmins in the 1957 general election, an election which he won. He stood for better things for working people. He survived the Diefenbaker sweep of 1958 and helped the CCF transform itself into the NDP in 1961. He also won re-election in 1962, 1963, and in 1965.

I believe that the greatest tribute to Murdo's political skill and commitment to his constituents was this string of re-elections.

Since leaving this Chamber, Murdo remained active in the local NDP and labour movement in Timmins. His help and advice to me will always be remembered, and his commitment to working people will never be forgotten.

May I conclude by offering my sympathies to Grace Martin and the rest of his family. Timmins and this Chamber have lost a great friend.

ORAL QUESTION PERIOD

[*English*]

ABORIGINAL PEOPLES

FEDERAL SUBSIDIES FOR POST-SECONDARY EDUCATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Canadian Human Rights Commissioner tabled his annual report. Among the other things he had to say was this:

> An Indian youngster in Canada has a better chance of being sent to prison than completing university.

The Human Rights Commissioner singled out the Minister of Indian Affairs for criticism for his decision to limit federal subsidies for post-secondary education for the native people.

How can the Prime Minister allow his Government to carry on with that disgraceful decision? Does he not understand that for our native people education is the only way out?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Right Hon. Member for his question. I want to tell him right away that we do agree that education is the way out. That is why we have reviewed the guidelines in order to make them more workable so that more native students can achieve a university degree.

I would like to point out to the right hon. gentleman that since 1984 the budget with respect to post-secondary education for native students has nearly doubled.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the reply of the Minister ought to be read in conjunction with the Prime Minister's comment some time ago when Bill C-31 was before the House, that post-secondary education would not be cut nor would other facilities to our native people as a result of widening the definition of status.

• (1120)

[*Translation*]

RE-ESTABLISHMENT OF FUNDING FOR POST-SECONDARY EDUCATION

Right Hon. John N. Turner (Leader of the Opposition): Since the Minister himself answered my question, I have to say he failed to show any sensivity to the Commissioner's comments, and I would therefore repeat what the Chief Commissioner said: An Indian youngster has a better chance of being sent to prison than completing university.

This is a national tragedy.

And the only answer the Minister of Indian Affairs and Northern Development gave the striking students was: Go back to school.

I want to ask the Prime Minister once more to tell his Minister of Indian Affairs and Northern Development to reverse his decision and restore funding for post-secondary education for our Native people.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure that being the kind of man he is, the Right Hon. Leader of the Opposition would not want to mislead Canadians by being less than accurate in his rendering of my answers.

First of all, I gave more than one answer. I believe I made it quite clear, Mr. Speaker, that since this program started operating with a budget, it has expanded by 10 per cent. I also said that the program will probably continue to expand as needs increase, and that we are of course considering new needs in terms of Bill C-31 which our Government introduced in order to correct a form of discrimination that has existed in Canada for a long time.

[*English*]

COLLEGE STUDENTS ON HUNGER STRIKE

Right Hon. John N. Turner (Leader of the Opposition): I do not think that the House should be any more impressed with that answer than the Commissioner of Human Rights was when he singled the Minister out for criticism in his report.

As the Minister knows, a group of college students are now in their 17th day of a hunger strike to protest a policy which the Commissioner of Human Rights has termed a national tragedy. He has called it a national disgrace. Yet the Minister refuses to meet these students. By his attitude, I want to suggest to him he is

perhaps compounding the potential tragedy that we have here.

Will the Minister, and through you, Mr. Speaker, to the Prime Minister, will the Prime Minister order his Minister to demonstrate some common decency and meet with the students to see whether he cannot recognize that the policy that he is leading is highly discriminatory to a very vulnerable people to whom we owe more than we are giving?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not want to try to play cuteness with the Right Hon. Member, but I am not impressed with his question either.

On the other hand, I do want to indicate to the House, to all Canadians, and particularly to the people who are directly concerned, that I am taking this issue very seriously, that I am prepared to sit down and discuss with whomever is interested the policy—

Mr. Turner (Vancouver Quadra): With the students?

Mr. Cadieux: I have already indicated that, if it is demonstrated that the policy can be improved, I will look at it, and will obviously be interested in improving the policy.

However, this has to be done in normal circumstances. As I did earlier this week, I again urge the students to put an end to their strike and I will meet with them.

I would like to point out a suggestion that was sent by Lakehead University and Confederation College. They are specifically urging the students to put an end to the strike, and to start a bilateral process, and I am prepared to do that.

REQUEST THAT MINISTER MEET STUDENTS

Ms. Ethel Blondin (Western Artic): Mr. Speaker, my question is directed to the Minister of Indian and Northern Affairs. I have met in private with the Minister, and I have pleaded with him. I have expressed the concerns of those students to the Minister, and I plead again to the Minister to meet with these students.

Does the Minister want to have these students continue their fast over the weekend and have the blood of those students on his hands on Monday morning?

Some Hon. Members: Oh, oh!

Ms. Blondin: I find his comments to be insensitive and irrelevant to the situation at hand. Will the Minister meet with those students?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I will meet with the students as soon as they put an end to their hunger strike, at whatever time they decide.

CONSULTATIVE PROCESS

Ms. Ethel Blondin (Western Artic): Mr. Speaker, my supplementary question is the following.

The cap on the education funding restricts the number of native students who want to attend post-secondary education. On that note, I have spoken to the Grand Chief of the Assembly of First Nations, Mr. George Erasmus.

Will the Minister commit to establishing a bilateral consultative process between the federal Government and First Nations native communities, which the Prime Minister committed to in a statement in the House on April, 1985, and put a moratorium on the new policy changes until this consultation process is firmly established and implemented?

The Prime Minister's words were: "There will be no cut to Indian programs". In that statement there was also a statement that inferred that inflation costs would be kept in line with the needs of the native students.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, there are many questions in that supplementary question. I will try to address all of them, if time is given to me.

First of all I wish to indicate to the House, to all Canadians, and particularly those people interested, that there is already a bilateral process between Grand Chief Erasmus and myself. We have already met.

Ms. Blondin: There is not.

Mr. Cadieux: We are scheduled to meet Monday on concerns that the Grand Chief may have. Education is one of them. I have been given the report that they have prepared, and we are looking into it. If Grand Chief Erasmus wants to speak to me on post-secondary education specifically on Monday, obviously I will do that. I am open to speak with every Grand Chief in the country on whatever subject they wish, Mr. Speaker, under normal circumstances.

With respect to commitments of the Prime Minister and this Government, not only was this program not cut, it has increased 10 per cent in the last two years.

Ms. Blondin: Over 3 years.

Mr. Cadieux: I usually listen to questions. Perhaps I could be given the same courtesy and the Hon. Member would listen to my answers.

Some Hon. Members: Hear, hear!

Mr. Cadieux: Since 1984 expenditures with respect to natives have gone from $2.7 billion to $3.4 billion.

SUSPENSION OF HUNGER STRIKE—MINISTER'S UNDERTAKING

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I wish to raise a question on the same serious matter. Today a band of courageous native students entered the 17th day of a hunger strike against the cruel educational policies of the Government.

The Minister has agreed to meet the students, only if they first end their hunger strike. In a spirit of compromise the students have agreed to suspend their strike in order to bring their case to the Minister.

Will the Minister agree now, in response to that compromise, to an immediate meeting with the hunger strikers in order to resolve this crisis and prevent permanent injury to those native students?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): I agree with the suggestion that was made by Lakehead University and Confederation College which states:

> In order to resolve the current impasse and, in the true spirit of the consultative process in a democratic system, we strongly urge that:
>
> (i) In recognition of the deteriorating health of the participants, the Native student hunger strike in protest of the implemented changes to Native post-secondary education payments be ended immediately.
>
> (ii) Representatives of the Department of Indian and Northern Affairs and the Native Peoples resolve the present impasse through bilateral discussions.

Not only will it be representatives of the Department. I am prepared to meet with them as soon as they put an end to the hunger strike.

REQUEST FOR COMMITMENT ON FUNDING

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the students have agreed to hold up their hunger strike while the Minister meets with them. He has it within his power to stop this matter here and now, if he wants to.

Will the Minister meet with the students? Will he commit to ensuring that no Indian students will be refused post-secondary education in this country because of financial barriers imposed by his Government?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, again, the budget has been increasing with respect to post-secondary education. I presume that it will continue to increase. I will meet with the students at their convenience, as soon as they put an end to their hunger strike.

NEGO;TIATIONS WITH ELECTED NATIVE LEADERS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is time that the Minister ended his double-talk about there being no cuts in this program. There are cuts in this program, and it is time that he stopped trying to pretend that they are not there.

In the consultation process that the Government talks about, over 500 groups and individuals were consulted. Not one of them supported the Government's proposal on these post-secondary education measures.

Mr. McKnight: False, false.

Mr. Axworthy (Saskatoon—Clark's Crossing): Not one of them, Mr. Speaker, and that is from the Department's own officials. Will the Government do what it should have done in the first place and begin bilateral negotiations with elected native leaders to ensure that this matter can be dealt with in an effective, proper, and quick manner?

• (1130)

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, since January 30, I have been meeting with elected native leaders. I will continue to do so. To my knowledge elected native leaders do not use means such as hunger strikes to meet with me. On the contrary, they meet with me under normal circumstances and I am prepared to continue to do that.

With respect to the policy and the guidelines, they have been in force since April 1. They will apply to the students commencing university or college on September 1. In the meantime, under normal circumstances, I am prepared to look at the guidelines with whomever is interested. If they can be improved upon, we will improve upon them.

[*Translation*]

THE CONSTITUTION

REQUEST THAT THE PRIME MINISTER WITHDRAW CERTAIN REMARKS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Yesterday during his speech in the House, the Prime Minister got carried away by his own rhetoric and went so far as to say that the Constitution of this country was not worth the paper it was written on.

Today I want to ask the Prime Minister who, as the first legislator of Canada, is responsible for protecting the basic law of this country, whether he will take this opportunity to apologize and withdraw what he said, because he who discredits the Constitution discredits Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in 1982 the federal Government surrendered the notwithstanding clause to the provinces, thus enabling the provincial legislatures to override decisions of the Supreme Court of Canada, as the Hon. Member well knows, and to ignore the most fundamental rights and freedoms of our society.

Thanks to this clause,—and I am perhaps by these words leaving myself open to further comment by the Hon. Member—the legislatures can pass legislation restricting freedom of conscience, peaceful assembly, association and religion, freedom of thought, opinion and expression, including the freedom of the press.

Therefore, by invoking the clause I condemned yesterday, the legislatures can deny citizens the right to life, liberty and personal security, the right not to be arbitrarily detained or imprisoned, the right to be informed promptly of the reasons of one's arrest or detention, and even worse, of the right to be assisted by counsel, the right to *habeas corpus*, the right to be presumed innocent until proven guilty, and so forth.

These are some of the rights that may be suppressed by a given legislature, and this quite extraordinary clause was agreed to in the 1981–82 negotiations by the federal Government.

It always has been my contention that a constitution should unite a nation. The Hon. Member for Shefford knows perfectly well that the Quebec National Assembly vigourously rejected the proposal made in 1981–82. First and foremost, however, the Constitution must protect the most fundamental rights of a country's citizens. And as you see, that is not the case.

That is why I believe the Constitution drafted in 1981–82 leaves much to be desired.

NOTWITHSTANDING CLAUSE—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary for the Prime Minister. If he was so appalled at the provisions in the "notwithstanding clause", how come at Meech Lake he forgot to have that provision removed?

After the partisan debating he had yesterday, does he not feel he is moving the "notwithstanding clause" into a symbol for Quebec, pushing Quebec's Premier into making statements he never made before, opening a "from now on" era and becoming a symbol of the "Québec" way of doing things? Does the Prime Minister feel he advanced the debate yesterday, or does he not rather feel he may have undermined an eventual withdrawal of the "notwithstanding" clause, but most of all his Meech Lake Agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had no idea I was going to wound the feelings of the Hon. Member who himself does not beat around the bush when referring to Government proposals. He never had any qualms about speaking his mind. . .

Mr. Lapierre: Not on the Constitution!

Mr. Mulroney: Not on the Constitution! Oh no! Not on the Constitution! But the former Prime Minister gave his views on the Constitution as reported in Robert Sheppard and Michael Valpy's book, and I quote:

[*English*]

> When Mr. Trudeau was asked if he considered the 1981 Constitution a success he replied, "No, I consider it an abject failure".

[*Translation*]

In my view, the basic constitutional document should do two things; first of all, unify the country. To me, a constitution that is not supported across the land, in this case Quebec, is not a true constitution in the first place. Secondly, a constitution should protect the basic rights of citizens. But in this Constitution the legislator has been allowed to infringe upon basic rights. Certainly the Hon. Member will agree the aim of Meech Lake was not to fill offhand all the gaps, but rather to bring them. . . Careful! And as the Hon. Member will tell his colleagues, it was to finally get Quebec back into the constitutional fold, after having been left out.

[*English*]

NOTWITHSTANDING CLAUSE—PRIME MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Prime Minister. He will know that in the consideration of the amending process that eventually resulted in Meech Lake it was the position of this Party that the notwithstanding clause should be on the agenda and that that clause should be withdrawn.

Can the Prime Minister tell us now why he was able to go to Meech Lake, why he was able to consider it such an enormous success when the clause which he now considers such a fundamental error was not even addressed by him, was not raised to be amended? How can he ask Canadians to accept that?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend asked me why the notwithstanding clause was not withdrawn. It is a legitimate question.

Mr. Kaplan: So what is the answer?

Mr. Mulroney: The other question that should be asked is why was the notwithstanding clause included in the first place. Why was it included in the first place?

Mr. Axworthy (Winnipeg South Centre): It was your Tory Premiers from western Canada who wanted it.

Mr. Mulroney: Don't try to blame somebody else.

Mr. Axworthy (Winnipeg South Centre): Peter Lougheed is responsible for that, you charlatan. It was your friends and accomplices.

REQUEST THAT PRIME MINISTER CONTACT PREMIERS ON ISSUE

Hon. Bob Kaplan (York Centre): The Prime Minister may need a history lesson.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Kaplan: I suggest a simple examination of those times will show that that was the price that had to be paid for patriation, and for the Charter of Rights.

Mr. Mulroney: Too much the price.

Mr. Marchi: Your Party supported it, Brian.

Mr. Kaplan: Why is he not now prepared to ask his colleagues, the provincial Premiers, to get together and to withdraw the notwithstanding clause, as this Party has been urging since the Meech Lake round was first conceived?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that his Government surrendered the notwithstanding clause because it was the price that had to be paid. I tell my hon. friend he paid a price that was much too high for Canada and for the fundamental rights of Canadian citizens.

Mr. Gauthier: You voted for it.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Look at them applaud. They all voted for it.

Mr. Axworthy (Winnipeg South Centre): Tell us how you voted, Joe.

Mr. Mulroney: They also know, Mr. Speaker—

Mr. Axworthy (Winnipeg South Centre): Stand up and tell us how you voted. You were all there.

Mr. Speaker: I think that there is still part of the question the Right Hon. Prime Minister has not dealt with. I would recognize him for the remainder of the answer.

• (1140)

Right Hon. Brian Mulroney (Prime Minister): Thank you, Mr. Speaker. In fact my hon. friend says that it was the price that had to be paid by the Government. The Government made a value judgment. I happen to believe that that price was excessive. It was the greatest price that a federal Parliament has ever been called upon to pay in regard to the protection of our most fundamental liberties of expression, of religion, and of association.

What we did at Meech Lake was begin the process of trying to correct, as well, another serious flaw, because there were two. That was to bring Québec into the Constitution, and I know that my friend talks about Meech Lake with respect and affection because he supported Meech Lake and I thank him for that.

* * *

EMPLOYMENT

TRAINING PROGRAM EXPENDITURES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. I have here a memo that says that Canada Employment is cutting training budgets for disadvantaged youth, immigrant women and women, who are learning untraditional skills.

An Hon. Member: Shame!

Mr. Langdon: These will be cut by 25 per cent in London, Toronto, Ottawa and other parts of Ontario. Given the Throne Speech commitment to increase training in this country, how can the Prime Minister justify these cut-backs to some of the most disadvantaged people in our society?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I do not know to what memo my hon. colleague is referring. What I can say to him is that we are spending now in Canada just through the Canadian Jobs Strategy, in excess of $1.7 billion a year. Approximately 40 per cent to 50per cent of that money goes to young people between the ages of 15 to 24 years of age.

It is interesting that today of all days he would ask this question, because he offers me the opportunity to announce that unemployment in this country has gone down from 7.6 per cent to 7.5 per cent this month for the unemployed youth.

Some Hon. Members: Hear! Hear!

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister, of course, has not answered the question. He has not pointed out that the $1.7 billion dollar figure is a cut from the $2 billion figure that the Government spent in its first year in office.

I want this Minister, if he feels so strongly, to give us an assurance that there will be no cuts to training programs, that in fact training programs for these disadvantaged groups will increase as they should in a fair country.

Some Hon. Members: Hear! Hear!

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I know that my hon. colleague from the NDP would not want to let the facts get in the way of debate. Let me refresh his memory.

On October 27, 1988, the Department of Employment and Immigration announced a $25 million initiative to assist immigrant women. Since this Government has been in power, Mr. Speaker, we have put together the Canadian Jobs Strategy which puts the emphasis on training and retraining for young people. Our summer student program works.

The level of unemployment in this country is down, and the hon. member can hold onto his seat because he is going to be seeing some action in the area of training and retraining from this Government.

Some Hon. Members: Hear! Hear!

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ENVIRONMENTAL AFFAIRS

TUG BOAT EXPLOSION OFF VANCOUVER ISLAND

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is to the Minister of the Environment. It refers to the fuel barge, the *Sea Giant*, moving off Vancouver Island early this morning. Will he tell us if there was an explosion? Will he tell us if there were any hydrocarbons that went into the water? What has the Canadian Government done about it, and what does it intend to do about it in the future?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, thank you. I must report to the House that an accident occurred last night at 2100 hours Pacific Daylight Time on an American tug towing a barge 14 miles west of Vancouver Island off Esperanza Inlet. Happily I can say that this accident did not cause any spill, but the *Sea Giant* was sailing from Point Whales, Washington, to Ketchikan, Alaska, and the barge was and is loaded with 61,000 barrels of light fuel.

Last night an explosion happened on the *Sea Giant*, and they had to disengage the tug so as to prevent the fire from spreading to the barge. At this time the barge is loose without any tug pulling it, and the report we have is that there is no spill. Our coast guard, under the instructions of the Ministry of Transport, has dispatched a vessel and a helicopter to the scene and the weather is calm. One American tug, the *Storm Queen*, is already there on the scene. We are waiting for two more American tugs. They should be there in a few hours./ At least one of them will have the power to secure a tow line and resume the sailing of the barge to Alaska.

I must say that we have constant communication through the Tofino Radar Station and the emergency Coast Guard centre of communication in Vancouver. It is confirmed that there is no spill, no leak, and that everything should be under control in a few hours.

CLARIFICATION REQUESTED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, just two days ago, outside this House, the Minister of the Environment gave his commitment that the Canadian Government would personally have the right to approve any plan about removal of the vessel before the vessel was to be moved. How can he now say that there was an explosion, and presumably he personally and his Department are responsible for putting together the plan for removal?

An Hon. Member: That is another one.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to clarify the facts in the mind of the Hon. Deputy because those are not the same ships. The ship I talked about yesterday and two days ago was the *Valdez* supertanker which was involved in the accident in Alaska, but we are talking now about a tug normally towing a barge of fuel from Washington to Alaska. It is a very different accident.

An explosion occurred on this tug last night. The barge is still in a stable position. There is a light wind. It did not drift toward our coast, and all measures have been taken now to secure the position, and in a few hours this barge will be on her way again to Alaska without any spill.

CANADA SHIPPING ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, given it is the second time in a few days that there is a risk to the Pacific Coast of Canada, I would like to ask the Minister whether he would be prepared to invoke his authority under the Canada Shipping Act and, in fact, make sure that the Canadian Government, and not an American company like Exxon or some other company, is responsible for making sure of the safety of this vessel and of the other vessel? Will he invoke his authority under the Canada Shipping Act?

• (1150)

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, if the Hon. Member had listened to what I said she would have noticed that the accident occurred in international waters—

Ms. Copps: It is a 200-mile limit.

Mr. Bouchard (Lac-Saint-Jean): Fourteen miles is two miles off our own waters. It is an American accident involving American ships in international waters. Although it happened in American waters, we are taking all the measures I have explained to control the situation. We will be ready to assist and watch the situation. Everything will be back in order in a few hours. There is no need to alarm Canadians about that now.

* * *

TRADE

CANADA-UNITED STATES SOFTWOOD LUMBER AGREEMENT—U.KS. SENATOR'S ACCUSATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister for International Trade. This morning in Washington, the Chairman of the Senate Subcommittee on Trade accused Canada of widespread cheating under the softwood lumber agreement. I believe the Minister would agree that this kind of public insult should not be tolerated. I expect the Government will make an appropriate response this morning to this attempt to intimidate and insult this country.

More important, does this not provide further proof that the softwood lumber agreement is unworkable, that it is punitive to the interests of Canadian producers, that it is causing major fractions between the two countries? Does he not believe that it is time to begin negotiation for revocation and repudiation of this agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman surely understands that there are, I think, 102 Senators in the United States of America and we cannot be held responsible for the remarks or comments made by any of them. The suggestion that there has been any fraud involved in the softwood lumber situation is a matter that is under investigation by the responsible Department.

In reference to the softwood lumber situation generally, there have been consultations with the provinces and the trade. This is a complicated issue to which there are no simple solutions. We are reviewing the situation. When we believe there is action we can take that would be an advantage to Canadians and Canadian softwood lumber exporters, we will take such action.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, the Minister piques my curiosity as to whether the two additional Senators now in the United States are required as part of the Free Trade Agreement and they are now part of Canadian representation.

REQUEST THAT REPUDIATION OF AGREEMENT BE NEGOTIATED

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, in the testimony heard before the subcommittee this morning it was stated that the Minister for International Trade in his first meeting with Mrs. Carla Hills, the new U.S. trade negotiator, has in fact asked for a negotiation on the softwood lumber agreement. Will the Minister confirm whether there will be discussions dealing with the revocation of or changes to the softwood lumber agreement?

Is the Minister prepared to tell Canadians whether the Government of Canada now recognizes the softwood lumber agreement was a bad agreement, a bad deal for this country? Is it now prepared to pursue direct negotiations with the United States to repudiate that agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we do not propose to simply repudiate an agreement. This was an agreement entered into to save Canada from even worse consequences. At least the revenues that are collected under the 15 per cent export tax or under the increased stumpage charges remain in Canada.

In fact, while I may not have the figure exactly, I believe in Ontario some $50 million to $60 million has gone to the province from the export tax, that would not have gone to Ontario. There are hundreds of millions of dollars that have stayed in Canada which would not have stayed in Canada if it had not been for this Memorandum of Agreement.

The facts are that the softwood lumber market has changed. The softwood lumber market is softer in the United States. Prices are going down. The same is true in Canada. The economic circumstances have changed. The exchange rate has changed. Therefore we think it would be reasonable for changes to be made in this arrangement. Whether the United States will agree is another question. We have pointed out these facts to the United States. There have been no formal negotiations in this connection, however.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MANITOBA MINISTER OF NORTHERN AND NATIVE AFFAIRS FOR THE PROVINCE OF MANITOBA

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Honourable Jim Downey, Minister of Northern and Native Affairs for the Province of Manitoba.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MANITOBA MINISTER OF COMMUNITY SERVICES

Mr. Speaker: I also wish to draw the attention of Members to the presence in the gallery of the Honourable Charlotte Oleson, Minister of Community Services, Employment Services and Economic Security and Minister responsible for the Status of Women for Manitoba.

Some Hon. Members: Hear, hear!

* * *

ABORIGINAL LPEOPLES

INNU OF NEWFOUNDLAND – PROTECTION AGAINST LOW-LEVEL MILITARY FLIGHTS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who, I am sure, is aware of the ongoing trial of some 38 Innu in Newfoundland at this time. In my judgment these people are guilty of only one thing, that is, of defending their homeland against what they perceive as an invasion.

Is the Prime Minister prepared to do what many groups have been urging upon the Government and drop the charges, wait until the Federal Environmental Assessment Review is done, and declare a moratorium on low-level flight testing? Will he come to an arrangement with those people that will protect their land and their interests?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member recognizes in his statement that there are Innu who are facing court charges at the present time. They are now in court.

All I can inform the Hon. Member is that when I went to Goose Bay I had planned the trip for two weeks. I wanted a meeting with the Innu leaders. I went to meet with other leaders at the same time. On the Friday I was there, at 11.30 the Innu agreed to meet. I hoped it would be a productive discussion where we could talk and make arrangements that could benefit both the people of Happy Valley-Goose Bay, and its economy, and the needs of the Innu people. At that time I was not allowed the opportunity to discuss with the Innu leaders.

Let me make a suggestion to the Hon. Member. If those groups who claim to be supporting the Innu and their cause, if they would not be seen in some people's mind to be using the Innu for other means, would support the Innu in their land claims so they can assemble their needs, I think we could have very productive talks.

Mr. Blaikie: The Innu have made no such claim that they are being used by these groups. They have worked with these groups over the years and the Minister does a disservice to all the people who have been involved in this struggle to suggest anything else.

REQUEST THAT CHARGES AGAINST PROTESTERS BE DROPPED

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I appreciate the Minister's response, but I will direct my supplementary question to the Prime Minister because it is Canadian moral credibility abroad which is at stake here. We know that there were demonstrations in several European capitals yesterday about this particular issue. The fact is that in the name of defence Canada—quite correctly—is seen to be committing an act of aggression against an element of its own people, the Innu in Newfoundland.

When will the Prime Minister take a personal interest in this matter to see to it that justice is done, the charges against these people are dropped, and a fair arrangement is arrived at with these people? They have never surrendered title to their land. They are entitled to be dealt with fairly, not the way they have been dealt with up to now.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the Hon. Member should be aware, there are other individuals who live in Labrador. There is an economy there that depends greatly on the expenditures that take place within the region from the Goose Bay defence establishment.

If I had the opportunity to talk with the Innu leaders I would have informed them that no new nations would fly until the environmental impact study had been done and the FEAR panels had concluded their work. I would have informed the Innu that the flights that will take place this year will be approximately the same number as last year. I would have liked to talk to the Innu to be able to ask them what resources they may need to take part in the FEAR panel that will be called.

• (1200)

An environmental impact study was started some two years ago by my predecessor at a cost of over $6.5 million. I certainly hope that Members will allow that study to take its due course and we will then be able to make new assessments as to whatever the needs may be for the people of Goose Bay and Happy Valley and for the some 1,100 Innu in Labrador.

Mr. Speaker: I would ask the Hon. Member for Ottawa West to put a single question, please.

* * *

EMPLOYMENT EQUITY

VISIBLE MINORITY REPRESENTATION IN PUBLIC SERVICE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board. Yesterday in the House the Government showed no concern that the representation of visible minorities in federally regulated industries and in the Public Service is abysmal.

Visible minorities represent 6.4 per cent of the working population of Canada but only 2.6 per cent of employees in Government Departments. How does the Minister explain this obvious discrimination in hiring and what does he intend to do about it? Is he aware that visible minorities represented 12 per cent of applications for federal government employment last year but only 3.3 per cent of hirings?

This is shameful, Mr. Speaker, and I ask the Minister what measures he will take to give visible minority Canadians an equal opportunity to be employed by their Government?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, since 1984 the Government is concerned with representation issues in the Public Service and also in the industries that are under the federal jurisdiction. And I can tell you that when we examine the data, we can see that important improvements have been registered in every sector. Regulations now in place should ensure on the one hand that we get timely situation reports and on the other, that policies are established to promote the employment of women, natives, people with handicaps and visible minorities in the Public Service and in the industries that come under the federal jurisdiction.

That is an objective that the Government is actively pursuing. Progress has been made and more is expected in the years to come.

[*English*]

Mr. Speaker: I am going to ask the indulgence of the Minister of the Environment to take one supplementary from an Hon. Member from the West coast, the Hon. Member for Victoria.

Introduction of Bills

ENVIRONMENTAL AFFAIRS

WEST COAST—THREAT POSED BY TANKER AND BARGE TRAFFIC

Mr. John Brewin (Victoria): Mr. Speaker, first I would like to congratulate the Minister of the Environment for the geography lesson given to the Hon. Member for Hamilton East. We appreciate it.

The issue of the barge separation is yet again a demonstration of the fact that tanker and barge traffic on the West Coast is a threat to the very fragile environment of the West Coast. I would like to ask the Minister if he would again overrule the Minister of Transport who, the other day, said there would be no public inquiry, and make a commitment on behalf of the Government that the issue of oil spills and tanker traffic will be open to a full, public, independent inquiry in the immediate future.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to use this occasion to correct myself and clarify part of something I said. The first time I described the site of the accident involving the barge, I correctly referred to international waters, and in the heat of the exchange that followed I might have used the term American waters, which of course is wrong. It was really international waters.

As to the question, in my view the accident of last night confirms the decision of this Government to review the rules governing the traffic off the West Coast of Canada, and we will conduct this review with the utmost swiftness, seriousness and efficiency. Our Deputy Ministers will directly report to all the Ministers involved, and we should have a preliminary report very soon so as to be able to know if we can improve those very efficient rules which were very seriously set up 10 years ago, but we should know if it is possible to improve them. At the same time, we will certainly see to the possibility of improving the response if the prevention would fail.

Mr. Speaker: I want to thank the Hon. Minister for granting the indulgence because we are well past the time for Question Period. I think there is occasionally merit in extending the Question Period, but I want to make it very clear that this will not be a pattern. I thank the Minister and I thank the Hon. Member.

POINT OF ORDER

CORRECTION OF STATEMENT

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, at the end of Question Period yesterday, the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy) and I were involved in an exchange. I have had the opportunity to consult *Hansard*, and I am of the conclusion that I misheard and misquoted the Hon. Member in an exchange relating to Namibia. He used the word "flawed". I heard the word "fraud". I apologize. I indicated to him that if I was wrong, I would apologize. I was wrong, and I apologize.

Some Hon. Members: Hear, hear!

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, the statement by the Secretary of State for External Affairs (Mr. Clark) honours this House and preserves the honour that we all respect in him.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (Minister of Transport) moved for leave to introduce Bill C-2, an Act to establish the Transportation Accident Investigation Board.

Mr. Deputy Speaker: Shall the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Bouchard (Roberval): Mr. Speaker, as Minister of Transport my basic responsibility is to enhance air safety throughout the country, and of course there should be no doubt about my commitment to take all appropriate measures to that end. In my statement last week I said that, at the earliest opportunity, I would introduce a Bill concerning the establishment of an independent board to look into air, sea, and rail accidents, and this is what I am doing today.

[*English*]

With the concurrence of this House, I will be referring the legislation to the Standing Committee on Transport. I will be seeking its views to ensure we have a clear definition of the roles of the board, the chairman and the investigators.

[*Translation*]

Mr. Speaker, I hope all Hon. Members will co-operate and I urge them to give speedy approval to this Bill of utmost importance for maintaining safety.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I think the Minister has created a precedent of sorts. Ministers do not usually make statements when introducing bills. Since he did make a few remarks I think the Official Opposition should also comment on this matter. I heard the Minister say that he will be referring the Bill to a standing committee of the House or to a legislative committee and, with that in mind, he has asked for the support of the House. For the time being I am not sure whether we agree with him on that.

Mr. Deputy Speaker: On the point raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), the short statement made by the Minister concerning this Bill does not amount to a precedent. It is a rare occurrence, I must agree, but not a precedent. The Minister has the right to do so. I would not want to debate the issue with the Hon. Member for Ottawa—Vanier who is fully conversant with the Standing Orders.

Mr. Gauthier: Perhaps we might ask the House to be as agreeable with the Official Opposition and let a Member on this side make a brief comment on the Minister's initiative, a very constructive statement, as it happens.

Mr. Deputy Speaker: Should Opposition Members wish to comment on the remarks of a Minister, I would suggest they seek unanimous consent, and undoubtedly that is what they would do.

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1210)

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. John Bosley (Don Valley West) moved for leave to introduce Bill C-204, an Act to amend the Canada Elections Act, addition to the official list of electors.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Bosley: The right to vote is our most precious democratic right. During the last election, many Canadians in urban ridings were missed by the enumerators and lost that precious right. That is utterly unacceptable. The purpose of this Bill is to guarantee every Canadian that their right to vote will be protected by amending the Elections Act to allow every Canadian the right that now exists in rural ridings, the right to register to vote even on election day.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA SHIPPING ACT

MEASURE TO AMEND

Ms. Dawn Black (New Westminster—Burnaby) moved for leave to introduce Bill C-205, an Act to amend the Canada Shipping Act, attachment and assignment of wages.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Ms. Black: The purpose of my Bill is to amend the Canada Shipping Act. This will affect the collection of family maintenance payments owed by those involved in commercial fishing. This would ensure that family support payments are paid and that parties to family support agreements have the means of ensuring collection of these debts regardless of employment in commercial shipping.

Motion agreed to, Bill read the first time and ordered to be printed.

[*Translation*]

NATIONAL CAPITAL ACT

MEASURE TO AMEND

M. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C-206, an Act to amend the National Capital Act.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

[*English*]

Mr. Boudria: The purpose of this Bill is to enlarge the territory of the National Capital Commission in an easterly direction from the City of Ottawa, the effect of which would make the National Capital Region east of the city roughly the equivalent size that it is west of the city. The proposed Bill has the support of all municipalities involved as well as the united Counties of Prescott—Russell.

Perhaps I should take this opportunity to thank the Mayor of the Town of Rockland, Mr. Jean-Marc Lalonde, and Mr. Jamie Lawson, a legislative intern who worked in the preparation of this Bill.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

M. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C-207, an Act to amend the Criminal Code (hate propaganda—age group).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

[*English*]

Mr. Boudria: The purpose of this Bill is to amend the Criminal Code in a manner that would change the definition of "hate propaganda" so as to define "age group" as being a possible criterion under the provisions of "obscenity". No one would be permitted to discriminate against someone by reason of age, the purpose of which would be to ban the importation of a product known as "garbage-pail kids", which are offensive cards depicting the mutilation of children.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

M. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C-208, an Act to amend the Criminal Code (peeping Toms).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

[*English*]

Mr. Boudria: The purpose of this Bill is to change the definition of Section 173 of the Criminal Code. The "peeping Tom" provision of the Criminal Code only permits charges under that provision to be laid for an offence occurring at night. Someone who prowls on the property of another in the daytime cannot be charged under the "peeping Tom" provision of the Criminal Code. The amendment would remove the words "at night", permitting such charges to be laid at any time. This is an important amendment and has the support of several women's organizations in Canada.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

PETITIONS

LABELLING OF FOOD INGREDIENTS

Mr. Guy H. Arseneault (Restigouche): Mr. Speaker, it is my honour and privilege to submit a petition pursuant to Standing Order 36 on behalf of a group of my constituents concerned with the labelling of foods sold by restaurants and fast food chains. The petitioners require that legislation and regulations be enacted to institute ingredient labelling of take-out and fast food, and public access to a complete list of food ingredients for sale in the restaurant establishments.

OPPOSITION TO PROPOSED PENSION CHANGES

Mr. Ross Reid (St. John's East): Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition that has been certified correct as to form and content. The petition is on behalf of 450 Newfoundlanders and Labradorians who risk their lives and security every day as policemen, firemen and wardens. The prayer of the petition is that the Government not move to unilaterally change pensions by proceeding with proposed to legisla-

tion affecting properly negotiated pensions, pensions which these people have planned around and are depending upon.

INCOME TAX DEDUCTIONS FOR TOOLS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is my pleasure to present a petition on behalf of 1,600 Albertans who are mechanics in that province. They are petitioning their Government to reconsider its tax laws as they affect the ability of mechanics to deduct the cost of tools from their income for tax purposes. As is usual in efforts like these, there is an enormous amount of work done by one individual. In this case, it is a young mechanic by the name of Chris Grieve. He travelled across the Province of Alberta and spoke to many people. It was quite a considerable effort to gather that many signatures from one professional group in a province as diverse as Alberta.

CHILDREN'S BILL OF RIGHTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am honoured today to present a petition on behalf of Canadians who are calling on the Government to establish a children's bill of rights protecting all children in this country from poverty, hunger and homelessness.

AIR TRANSPORT DEREGULATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege and honour to present a petition on behalf of a large number of Canadians concerned that deregulation in the air industry will lead to reduced safety and service. They believe deregulation of the airline industry has led to reduced viability of many airline companies and has increased the market share of a few large firms. They have a long list of concerns regarding deregulation in the airline industry. Fundamentally they are calling upon Parliament to ensure that the transportation industry is efficiently and effectively regulated to ensure that safety and fair quality services are provided to the travelling public.

* * *

• (1220)

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Peace River): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her Speech of the opening of the session; and on the amendment of Mr. Turner (Vancouver Quadra) (page 131).

Mr. Deputy Speaker: We have approximately four minutes left in the question and comment period. The Hon. Member for LaSalle—Emard (Mr. Martin).

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I have a question for the Hon. Member. The Hon. Member for Broadview—Greenwood (Mr. Mills) has an extensive record in environmental matters. He is very knowledgeable.

Given the fact that there has been extensive comment on the fact that shoppers still lack environmentally safe packages, would he please talk to us about what education is required in that area?

Mr. Mills: Mr. Speaker, I would like to thank my hon. colleague for his question.

There exists in the Department of the Environment a program ready to go for environmentally friendly products in packaging, which I think would go a long way in pushing along product and consumer awareness for environmentally friendly products. It awaits the direction of the Minister. I think that is important to do quickly because there are signs that consumers are confused over safe packaging.

I just want to quote from a recent survey done by the Grocery Products Manufacturing Association. Eighty per cent of consumers are willing to pay more for biodegradable or recyclable packaging, but only one-third at this point in time look on the packaging for environmentally safe labelling.

This survey lets us know that we have a long way to go in educating people. I hope that the Minister will give that direction to his Department immediately. At our summit on the environment in the Don Valley we will be featuring over 300 consumer products from every region of this country that have passed environmentally friendly standards. This as well will go a long way in raising the consciousness of consumers to purchase environmentally friendly products.

The only way we will succeed in galvanizing the will of the country around the environment is not just by dealing with it at a bureaucratic or at a political level, but we must deal with it at the consumer level as well. In order to get that consumer activated we must guide him along the way.

Mr. Barrett: Mr. Speaker, maybe I could be given an opportunity to ask a brief question since it is the Hon. Member's first opportunity to speak in the House.

I am aware that it is reported that the Hon. Member had $250,000 spent in pre-election funding before the election was called in his riding. Does he know something about this job worth $75,000 a year that I do not know?

Second, is the Member now in favour of putting limits on pre-election campaign spending so that people do not buy seats to come into this Chamber?

Mr. McDermid: He wasn't a former Premier.

Mr. Mills: First, the Hon. Member has his facts wrong.

Mr. McDermid: That is why he is no longer Premier.

Mr. Mills: It was close to $150,000. But I must tell the Hon. Member that my opponent, an incumbent—and I include all of us in this House—over a four-year period I think has about a $2 million advantage.

Mr. Barrett: Doing their job.

Mr. Mills: Yes, doing their job. I think part of the reason I was elected is that maybe the job was not being done well enough in the riding.

Some Hon. Members: Hear, hear!

Mr. Mills: I would like to answer the Hon. Member's question on pre-election spending. I think once candidates are nominated by the Party, I believe that the Government of Canada should give them some support in order to get to the election period. I do not think the current system is correct.

What was the last question, I am sorry?

Mr. Barrett: What was worth it in the job?

Mr. Mills: There are some days, I must say, that I kind of wonder. But unlike the Hon. Member for Juan de Fuca (Mr. Barrett) I had the rare privilege of working for the greatest Prime Minister this country ever had. He inspired me to come to this town and work. I love it here. I love my country. Maybe eventually the Member will discover that working in the national Parliament is much more exciting than acting as a parochial Premier.

Mr. Deputy Speaker: The period for questions and comments is now terminated. Resuming debate with the Hon. Member for Kamloops (Mr. Riis).

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure and an honour to participate in the debate. I want to thank Members opposite for the arrangements that were made to make this possible today.

I want to begin my presentation in the House today by saying that I believe November 21, 1988—the day of the federal election—will go down in Canadian history as likely the second most significant date. The first, of course, being July 1, 1867, when we saw the beginning of Canada formally occur. Then 121 years later, on November 21, 1988, with the re-election of the Conservative Government we saw the beginning of the end of Canada as we have known it.

An Hon. Member: Really?

Mr. Riis: The reason is that the Government decided to proceed with the Free Trade Agreement with the United States, which is the dismantling of Canada, the reorganizing of Canada, the rearranging of Canada to make us an integral part of the United States. What has to be recognized is that the Government lacked the support of the people of Canada generally.

When you look at the way people voted, not how the constituencies or gerrymandering and so on occurred to take advantage of the political situation, and their voting patterns, you will find that 57 per cent of the people voted againsts the Conservatives in the last general election. People in eight our of ten provinces voted against the Conservatives and people in two out of two Territories voted against the Conservatives.

We are talking about a minority position, and yet the Government has taken that minority position because of the way the country is organized around constituencies and decided to end Canada as we know it and integrate us into the United States. This was due in large part not because the people of Canada understood clearly the implications of the trade deal, but because through an incredible amount of election advertising, the likes of which we have never seen before, Canadians were sold a bill of goods, and to a certain extent, were misrepresented and misled. Look at the advertising that went into the free trade deal. The Progressive Conservative Party of Canada alone spent over $5 million. The large corporate sector, including the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, groups like

the Fraser Institute and the major media outlets, spent in combination $19 million.

The lowest blow of all is that this deal had not been sanctioned by the Parliament of Canada, yet the Government felt it had the go-ahead to spend taxpayers' money on an initiative which had not been sanctioned, and paid $32 million for an advertising total of $56 million for the trade deal. Up against that were the individuals from the opposition Parties speaking against the trade deal. The people of Canada were misled through some very misleading advertising, and the Conservatives managed to get 43 per cent of the people's support and that enabled the Government to proceed. That is why I say that November 21, 1988, will be a very historic day in Canadian history. That was the day the end really began.

I do not want to speak today about the trade deal. That is not the purpose of this. The trade deal which the Government signed will haunt this country, this Parliament and this Government forever. We saw immediately after the deal was signed the various companies collapsing and hundreds and thousands of jobs being lost.

• (1230)

I have before me a document that goes on and on: "Gillette in Montreal, 590 jobs; Pittsburgh Paints in Toronto, 139 jobs; Northern Telecom in Belleville, 87ebec, 100 jobs; Chrysler Canada in Ajax, 430 jobs; Taurus Shoes in Québec, 100 jobs". I could go on for pages and pages listing businesses that have closed down because they have decided to move their operations to the United States or to northern Mexico.

We must recognize that the Government has decided to run the country in a rather unique manner. The House has not sat in the last six months, with the exception of two weeks in December when the Government jammed the trade deal through. It costs $1 million per day when the House does not sit, and we have not sat for six months, with the exception of two weeks.

While the House has not been sitting and while Parliament has not been able to function, what has happened across the country? We have seen interest rates sky-rocket once again. Now they are in the 13 per cent area. Yesterday they inched up again. How high will they go before the Government decides to take action? Will it be 14 per cent, 16 per cent, 18 per cent, or 20 per cent? For a while under a Liberal Government they went up as high as 22 per cent. How high do interest rates have to go before the Government says that enough is enough?

The Government has recognized that there are two Canadas. There is the Canada of Toronto, and there is the rest of the country. In terms of policy these interest rates reflect a reality in one city of this country, while the rest of the country must pay the price. As a westerner one would be hard pressed to find a single person who would say that this monetary policy is the correct one.

The Premier of Alberta, the Premier of Saskatchewan, the Premier of Manitoba, as a matter of fact, every single Premier came to the Minister of Finance (Mr. Wilson) and begged him to come to his senses, to stop the interest rate nonsense, and to start bringing down the rates.

I would hope sometime in the debate to hear Members stand up and say that they are in favour of this high interest rate policy; I have not yet heard anyone from the government side or the opposition side say so. Why do we have Members of the House who tolerate this policy which is strangling and smothering the regions in their efforts to dig out of the recessionary times of 1981.

We have seen corporate concentration take place and accelerate, and the focussing of economic, political, and social power into fewer and fewer hands. Since the Government has taken office, which is not too many years—too many but not that many—there have been more than 3,000 foreign takeovers in this country. That means there are 3,000 Canadian companies which are no longer Canadian. No longer are they making decisions about their future in Canada. Those decisions are being made primarily in the United States, Germany, Japan, Hong Kong, or wherever. As we sit here in this session, on average, four foreign takeovers a day are occurring in our country.

As part of that process, corporate concentration and the concentration of power are increasing. Today it is unbelievable, but we are the only western industrialized nation with seven families now controlling 50 per cent of the value of the Toronto Stock Exchange top 300. That type of concentration would not be found in a single other western industrialized nation. What we are doing about it? The Government has instituted policies to

accelerate the process of more and more concentration. That is another one that we have been waiting for.

American Express has come into Canada. It said that it wanted to be a bank in Canada. It is not a bank in the United States or anywhere in the world, but it wanted to have banking status in Canada. The Minister of Finance said that that was fine, and gave that status to American Express. It is not going home without taking the rest of us with them. That is exactly the result.

Do Canadians realize that, because of the amount of foreign ownership and foreign control of our economy, every hour of the day, every hour of the week, every hour of the month, and every hour of the year, $1.5 million leaves our country in the form of dividend payments or payments back to parent companies? That is $1.5 million every single hour of the year because so much of our economy is owned and controlled from outside Canada. Not only is the Government not doing anything to slow or reverse this process, but its policies are accelerating and increasing this situation.

Today we heard the terrible news that the regional disparities in our country are widening, that the gap between rich and poor is widening. A central core around the City of Toronto is prospering and increasing, and the rest of the country is falling relatively further and further behind. This is despicable.

How is the Government reacting to regional disparities increasing in the country, and the increasing gap between the "haves" and the "have nots"? Its response is to cut further support to the regions of this country. That is what the Government is doing in relation to ERDA. In those agreements federal and provision Governments work together to provide assistance and encouragement to develop the regional economies of the country. The Government states that it is not going to do that in the future. It is going to cut back support for the regions of the country. As the Minister from Toronto said during the election "if in the future you want a job, you better move to Toronto". If one lives in Chicoutimi, Corner Brook, Red Deer, Moose Jaw, or Kamloops this Government's idea of your future is to suggest moving to Toronto. That is the type of regional economic expansion programs the Government has in mind.

Mr. Volpe: They won't be able to live there.

Mr. Riis: As my hon. friend has indicated, Mr. Speaker, once you get there if you have $300,000 you might be able to purchase a home, if it is available.

We are seeing a Government emerge with a view that its role is to provide encouragement and support for the privileged, the wealthy, the haves. The others, the average Canadian citizen, is on his or her own. It is called the *laissez-faire* approach. It is the market-place approach.

This country was not built on the free market. From day one the Government of Canada and the provincial Governments have recognized that unless we take action, and to a certain extent are involved in the market, we will have a North American market that will essentially be owned and controlled from the United States. Therefore, we built a national rail system, a national air system, a national highway system, a municipal infrastructure, and a public broadcasting system.

Over the years we took all types of measures to link up and bind the country together with an east-west emphasis. Now the Government has abandoned that thought. This is neo-conservatism at its worst. It is something that would make John Diefenbaker and John A. Macdonald turn in their graves. The Government has decided to abandon what we have struggled with for 122 years in terms of fighting to bind this country together into something meaningful. As of the election of November 21, 1988 the Government abandoned that and decided that it was quite prepared to become an extension of the United States.

The Government did not have the mandate to that in 1988. I am confident that in 1992, when the people of Canada finally realize what the Government has done to them, it will be terminated from doing this any further into the future.

I remember when the Hon.Minister for International Trade (Mr. Crosbie) was running for the Conservatives. He stated that Government members could not tell the people of Canada what they were going to do "because if we did, they would never vote for us". How right he was. There are times when the Minister for International Trade speaks the truth. He spoke the truth when he said: "If we told the people of Canada what we will do, they would never vote for us".

Does anybody remember during the 1984 election the Government indicating that it wanted to introduce the free trade deal? It was not mentioned even a single time in that campaign. During the campaign of 1988 did anyone from the government benches mention that the

Government was going to slash social programs, cut back support for small business, abandon the family farm, and cut back on a whole range of social programs? No. The Government made all kinds of promises.

I have to give the Minister of Finance credit where credit is due. He has now said: "You know all those promises that we made during the election? Well, I am afraid we are going not going to be able to keep them". At least he has been honest and up front. The other day the Minister responsible for regional economic development also was up front when he stated that all those programs to assist the regions in developing their economies would also have to be cut back. The Government says that we have a deficit problem. We have a deficit problem. We have many problems. We have environmental problems. We have deficit and other problems.

• (1240)

When a deficit problem is solved there are two fundamental choices to make. Taxes can be raised on everybody, there can be cut-backs on programs that affect everybody, or something can be done on a specialized basis. This is where the political Parties differ. The Conservative idea of reducing the deficit is to give tax breaks and grants out to the large corporate sector, not to mention the rich and the privileged, with the assumption that they somehow will let this money filter down to assist the economy, and raise everybody's taxes.

As a sensible person, Mr. Speaker, you would say surely to goodness the conservatives would not have that approach. They have that approach. Today, as we sit here in the house of commons, the Ministers of Finance from across the country are meeting with the federal Minister of Finance to find ways and means to implement the new national sales tax.

Do you realize, Mr. sPeaker, what that means to the average Canadian family? To think that on top of the provincial sales tax of 5 per cent, 7 per cent, 9 per cent, the federal Government is now going to pile on its tax. This will mean that when one buys baby diapers or a book, when one goes to the movies or gets drycleaning and laundry done, or when one buys a car, a house or a suit, one will pay 19 per cent or 20 per cent sales tax.

Mr. McDermid: There is already a tax on cars.

Mr. Riis: The Minister is yelling across the way that there is already a sales tax on music lessons, that there is already a sales tax on movie tickets.

Mr. McDermid: There is already a tax on cars.

Mr. Riis: He is absolutely false when he says that. There is no sales tax on movie tickets. There is no sales tax to pay when one goes to the bowling alley. There is no sales tax on bingo tickets. Yet this Government is going to tax literally everything that moves in the country, and a lot of things that do not even move—tax, tax, tax.

Since this Conservative Government was elected there has never been in canadian history as large a tax grab as has occurred in the last four and one-half years; never even during wartime when taxes were introduced for the war effort.

These people have gouged. They have ripped. They have dug in. They have pulled out more money from taxpayers. Oops, I should not say "taxpayers" because that implies the corporate sector as well, one sector that has been overlooked. There are still 60,000 large, profitable corporations that do not pay even a single penny in income tax. There are many that pay $1, $20 or $100, but there are 60,000 large, profitable corporations that do not even pay a single penny. That is the idea of conservative tax reform—no taxes on the wealthy, no taxes on the large corporations in many instances.

However, I will tell you, Mr. Speaker, that the small welding shop down the street, the person running a beauty salon up the street, and the person running a small cafe are all paying. they are all paying and paying and paying. For every Budget that is brought in they pay more, but this same privileged group, this group of 60,000 profitable corporations, does not even pay a penny, to say nothing at all of those which pay $1, $2 or $3. This is not a fair tax system, but a Conservative way to reduce the deficit.

There is another way. It is called the New Democrat way. It is where we start saying, for example, that one way to reduce the deficit is not to buy nuclear submarines—this Government is still going ahead with nuclear submarines—but to assist the forest industry where we can generate a great deal more. Do you realize, Mr. Speaker, that in the Throne Speech the forest industry is not even mentioned? Farmers and ranchers are not even mentioned. The mining industry is not even mentioned. Tourism is not even mentioned.

In other words, those of us who come from the regions of the country, which of course are most of us, are not mentioned in the Throne Speech. This is a Throne Speech again designed for central Canada, specifically Toronto. This has to change. Our idea as New Democrats is let us ask these profitable corporations to pay something, a minimum corporate tax. Let us abandon this nuclear submarine madness and save ourselves billions and billions of dollars. Let us put out some of these lush government contracts to tendering so that people will have a chance to tender. We could save hundreds of millions of dollars. But now the Government uses it to reward corporate pals. There is no tendering, Mr. Speaker, and this involves billions of dollars. It is amazing.

What was absent from the Throne Speech was any reference to the West Coast oil spill, the largest in North American history. There was some rhetoric about the environment.

I would like to conclude my remarks by moving a subamendment that reads as follows:

That the amendment be amended by adding the following words: "and, specifically, that the House regrets the failure of the Government to provide adequate resources to deal with environmental crises and accidents; to regulate and enforce environmental laws; to monitor the state of our air, lands and waters; and to provide national standards of environmental protection".

Mr. Deputy Speaker: The Chair finds the subamendment to be in order.

On questions and comments the Chair recognizes the Hon. Minister of State for Privatization.

Mr. McDermid: Mr. Speaker, I always enjoy my colleague's speeches in the House. He always throws figures around. I am not sure where he gets his facts and figures from. Most of the time when we look into them we find that they are very inadequate.

There are a couple of questions I want to ask. First, with respect to interest rates he said that he would lower interest rates in the country. If he were to lower interest rates in the country or to make regional interest rates as some of his colleagues have suggested, how would he stem the flow of capital out of those regions where there were low interest rates, which actually need the investment capital, to areas of the country where there are high interest rates? Or, how would he stem the flow of capital out of the country, chasing higher interest rates? What is the NDP policy on that type of thing? How would it stop the flow of capital?

Second, how would the Hon. Member maintain inflation in the country? How would he stop the inflationary pressures that we are experiencing, not only in this country but in the other countries of the world? How would he have lower interest rates than his partners in the G–7, all of whom have been raising their interest rates lately because of the fear of inflation, because they do not want to go back to 1980 and 1981 when the Liberals sat back and let inflation run away? Then they had to give us extremely bitter medicine of some 22 per cent. That is the first thing I want to ask him.

The second question I would like him to cover is with respect to what he had to say about the sales tax. I do not think there is anyone in this country who would disagree that we need sales tax reform. Our domestic products are put at a disadvantage of some 25 per cent with those that they compete with from imports because of our outdated, outmoded manufacturing sales tax of 12 per cent.

Across the House I did not say music lessons. He knows I did not. I said "cars". There is a 12 per cent manufacturers' sales tax on automobiles today, on everything that is manufactured in this country, including bingo cards I might say.

Mr. Riis: Not the bingo games.

Mr. McDermid: There is a 12 per cent tax on the printing of those bingo cards.

I want to ask him what he would do or what the NDP would do to reform this antiquated, outmoded, unproductive sales tax system. Would he do what his socialist friends did in New Zealand or Australia where they taxed food and everything else—everything—when they changed their tax system? What would the NDP do?

• (1250)

Mr. Riis: The Hon. Minister asks three or four questions, but I will endeavour to respond to each one. By the way, just to clarify the record, under the Conservative sales tax approach, Mr. Speaker, you have to pay a fee to play bingo in many cases. Not only will the cards be taxed, but just the ability to play will also be taxed.

Mr. McDermid: You are wrong there.

Mr. Riis: As well as getting your hair cut, getting your eyes checked, your teeth fixed or your new suit, everything is going to be taxed, Mr. Speaker. I will come back to that.

First of all I will respond to the matter of interest rates. I do not know if Canadians are generally aware of the fact that real interest rates are higher than they have ever been in this entire decade. The real interest rate is the prime rate. We reduce the inflation factor to get the real interest rate. They are higher now than they were in 1980 through 1988.

An Hon. Member: Shame.

Mr. Riis: They are higher than at any time in this decade, with the exception of perhaps one month back in 1981. That is just a fact when we talk about high interest rates.

I must ask the Hon. Member why it is that our interest rates have to be so much higher than those in the United State. Not a single premier says that they need to be.

Let us assume that we can bring down our interest rates two or three percentage points to equal at least what they are in the United States. Why do I make this proposal? It is that if we reduce interest rates by 1 per cent, we cut the deficit and the debt significantly.

Our debt is large. I cannot sleep some night at night because I am reminded that the Conservatives have increased the debt on our children from $170 billion when they took office to over $320 billion today. They do not have a right to leave this kind of legacy to our children. Our debt has increased under this Government, and it is going up by billions of dollars a month. That is the reality. It is unbelievable. A lot of us have trouble sleeping because we are concerned about our children and our children's children.

By reducing interest rates one percentage point, we can really knock off billions of dollars from our debt repayment expectation.

What should we be doing when it comes to interest rates? We can drop them down one to three percentage points, again to bring us in line with the United States. We will also have a window of opportunity in July of this summer at the G-7 meeting to discuss a variety of things of mutual concern.

Why should our Prime Minister (Mr. Mulroney) not put interest rates on that agenda and say: "let us work together to bring down these rates, in concert one with another"? He has not identified that as a priority for the next G-7 meeting in July, and I urge him to consider that.

The other question was on the sales tax. What the Minister of State for Privatization (Mr. McDermid) always forgets to ask me is my view on the 60,000 large profitable corporations that never pay any tax. He never asked me if I think this is a good idea.

An Hon. Member: We do not have 60,000.

Mr. Riis: That is right, Mr. Speaker, we do not have 60,000 large profitable corporations. We have 60,219 large profitable corporations not paying a single penny in income tax. Maybe, if they were paying their fair share, we would not have to impose a national sales tax on children's clothing.

As we stand here today, there are $30 billion in deferred corporate taxes. If we just charged interest and did not ask them to pay back, there is $3 billion just like that. Then we would not have to ask to impose a special sales tax on children's story books, pet foods and so on, but that is a priority of this Government. It wants to tax children's things and housing. I think I made my point.

I covered interest rates, inflation, and sales tax. What I also covered, Mr. Speaker, was what the Minister of Finance said—

An Hon. Member: What would you do, Nelson?

Mr. Riis: On Thursday of this week, the Minister of Finance said the following:

> I am quite prepared to reduce the level of economic activity in Canada.

Now here is the Minister of Finance saying that things are heating up too much. Mr. Speaker, I will tell you that he has not been out West or out East for a long time. He has not been into northern Québec and northern Ontario or to the far North at all, because if he had travelled and talked to a single person in the regions of this country he would not say our economy is overheated. For one weekend, rather than go down to Bay Street and talk to his corporate pals, he should get out and talk to ordinary Canadian citizens across the country. If he did so and he responded to their needs, he would change this Government's economic policy accordingly.

[*Translation*]

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, it is with great pleasure that I return to my task in the House after several months of reflection and work in my constituency, and I would like to start by saying how happy I am that you, Mr. Speaker, and your team are still with us and offering you my full co-operation with the task at hand. I am pleased because a Member of Parliament, in addition to representing his riding, is also a member of a parliamentary body. The work we do here

in the House is an essential part of our task in general, because we not only have a duty to defend the interests of our constituencies but also to be aware of the national concerns of this great country of ours, from coast to coast.

I would like to start by saying how delighted I am that the Throne Speech read by the Governor General reflects our resolve to act on our election commitments, which include our commitment to protecting the environment, to the economy and to the neediest in our society whom we intend to continue to support, whatever Hon. Members opposite, the Liberals in the Official Opposition and the NDP, care to think.

Mr. Speaker, I found the following rather amusing. I read a lot of newspapers, as a former reporter. I noticed that a Liberal who was suggesting that those who are well off should not be given a pension, in order to help those who are disadvantaged, was quickly criticized by that protector of the needy and the poor, the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart). Let me explain. One of his colleagues, the Hon. Member for Etobicoke—North (Mr. MacLaren) had dared to suggest that family allowances or old age pensions should not be paid to those people who are well off. So, the protector of the poor rose to say he was going to challenge that suggestion and fight it in caucus!

The Leader of the Official Opposition said in his one-hour speech, among other things: "We intend to remind the Government as often as necessary that Canada is not the private domain of the rich and the powerful, of the businessmen of this country. This country also belongs to people across Canada who cannot make ends meet." And we heard the usual emotional outpourings about the little guy and the unemployed. What a farce! I see that both Opposition Parties failed to take advantage of the period when the House was in recess to improve their thinking. After what happened during the free trade debate, I expected to meet with an Opposition that would show greater clarity and rigour in debate.

Mr. Speaker, I think that the Throne Speech is excellent in this respect. It is straightforward and responsible. For some years, because of the Liberal legacy, we have been saddled with an enormous deficit, and we shall have the fortitude to take the measures that are necessary to spare future generations the terrible burden of a debt that is increasing every second, every minute and every hour of our existence in this country.

Some commentators and some Members opposite say that the Speech is just a lot of generalities without substance. Mr. Speaker, I would like to quote Michel Roy, one of the most respected editorial writers of this country, who wrote recently:

It is amazing to hear some commentators repeat over and over again that the Throne Speech is vague. Characteristically, however, inaugural speeches announce the broad directions a government intends to take, the philosophy that underlies its legislative program. And take note of this: "The terms of the Throne Speech leave no doubt as to this Government's commitment to a determined deficit reduction. In one sentence, the author of the speech perfectly illustrates how serious the present situation is: My Government is now borrowing money solely to pay the interest on previous borrowings".

• (1300)

It is therefore my view that everyone who listened to that speech in good faith could take note of this Government's will to do what previous governments had not done, namely to roll up their sleeves and to continue putting the brakes on the current deficit growth.

In that respect I am pleased to note the comments of an industrialist in my constituency who recently wrote to the Canadian Federation of Independent Business, who is taking surveys all around:

"Comments or suggestions to your Member of Parliament: 1. I hope that my M.P. stops playing Father Christmas." Of course, this was written before I was elected, Mr. Speaker.

"Stop playing Father Christmas with our money, cut altogether subsidies, especially to non-profit organizations and businesses who in the same country are making same products as non-subsidized firms."

2. "That my M.P. really tackles the elimination of the deficit."

So I think the mandate is quite clear, and this is but an example out of a thousand. People expect us to make an effort, they expect sacrifices. This is not easy, and I think everyone of us will have to pay the price. We have the will to be brave enough to go ahead and make sure public finance is put on a sounder basis.

So we are facing an opposition that is a bad loser bent on revenge. I was listening to the Leader of the Opposition (Mr. Turner) who constantly suggests free trade, which we sold out to the United States, free trade means the end of our sovereignty, our Canadian way of doing things. I find that amusing, because Mr. Opposition Leader has Members in his caucus who are starting to see the light, although belatedly. Let me show you this headline—Marc Lalonde!—You heard of him? Marc Lalonde turns coat and becomes free trader! This is in *Le Devoir* of March 15, 1989.

Amusing! I find its never too late to see the light. With time, I think our friends opposite will finally understand. Two days ago in France Mr. Peterson, the Ontario Premier, applauded the merits of free trade in Europe, etc. Of course he said that abroad. Come now! Let's stop kidding the people! With time, we must come to realize that a majority of Canadians opted for much more direct and active trade with the United States.

As far as the New Democratic Party is concerned, Mr. Speaker, I heard the cassettes again. We just heard the Leader restate his defence of the poor and the oppressed. I think the resigning leader set matters straight when he very clearly stated on page 131 of *Hansard* of last Wednesday:

> We are going to oppose with determined vigour every bill that floors out of this Throne Speech and every budget item that will come in the weeks ahead.

Talk of constructive opposition! Even before having seen anything, they will fight with determined vigour, not one but every bill, whatever. They will oppose for the sake of opposing.

I am a bit surprised. I would expect the Opposition to be constructive, positive. They could at least say: Let's wait and see. Who knows? The New Democratic Party says there might come up a bill to help the poor. But no! From the outset, they'll oppose every bill, all the gang of them.

Let me come to the core of my speech, Mr. Speaker. I would like to make two series of comments. The first one concerns the so-called Parliament holidays. For some time we have been hearing the Opposition suggest we had been sitting in our constituencies for six months. We were not putting the House to work. It's like saying MPs were just sitting on their behinds. I for one can tell you, Mr. Speaker, that since the end of the Christmas holidays, I have been in my constituency's office every day. I have my office diary here. I challenge any Member in this House to come and see in my diary what I have been doing for three months.

Also on this subject, I heard the Hon. Member for Broadview—Greenwood (Mr. Mills) just give this very gripping testimony about his little daughter who was humiliated in school because people started to laugh when she said that her father was a Member of Parliament. I understand them, those young people. And part of it is that some journalists on Parliament Hill never stopped talking about "holidays".

Recently, Mr. Speaker, on the opening of the House, we saw in *The Citizen*, "Commons holiday ends".

We saw others. Here is Mr. Weston:

[*English*]

"MP's old and new are in a particularly scrappy mood after their 14-week parliamentary break".

[*Translation*]

I am not in a scrappy mood. I am in great shape and it is not because I have just been on vacation, believe me.

Mr. MacGillivray says here:

[*English*]

"The Members could use the extra weeks because they had been put to work so quickly after the November 21 election".

[*Translation*]

Another one says here:

[*English*]

"The three months that Parliament has not been sitting has in simple terms cost taxpayers $50 million to staff and maintain the empty Chamber and mostly empty Members' offices".

[*Translation*]

What a disgrace! Like the employees in my riding office. I have had five for the past three months. I am not afraid to name them: Claude Beauchamp, Ginette Hupé, Marie Garneau, Lisette Harvey and Solange Veilleux. When these people saw that, these people who were paid for three months, who worked day and night in my riding office, they were literally insulted.

I sort of get the feeling sometimes that Parliamentary reporters here on the Hill deal with national subjects. I know, because I was a parliamentary correspondent at the National Assembly. What interests them is the big national issues: sales tax, submarines. But what we do in our ridings, the ordinary backbenchers, does not interest them. None of them comes to our ridings to see what we do. I find that absolutely shameful; I find that shocking.

And, Mr. Speaker, you know my love for Latin quotations. Do they come to my mind? The ancients said, *De minimis non curat praetor*. It means that the magistrate does not care about minor details. Some journalists on Parliament Hill do not care about the small fry—the MP in his riding. That does not interest them. For them, it is nuclear issues, nuclear submarines, privatization. What we do in our constituencies does not interest them.

I think of a guy like Michel Vastel. He is not a bad fellow, he writes a lot and works hard. I find him interesting at times, and he wrote this, "The House of Commons costs us $190 million this year, of which $105 million is for the Members of Parliament alone. However, they are not paid just to attend their constituents' funerals and weddings or to look after social security cheques, although these duties are important. What Mr. Mulroney is doing is an affront to parliamentary democracy".

Well look, do these people live in the clouds? I know, I was a parliamentary reporter in Quebec City and it was dull when the legislature was not sitting. People not doing investigative journalism who want official news. . . the House is not sitting, there are no press conferences. They have nothing to give their boss. The boss asks them, "What report are you doing for me tonight?". But nothing has happened. The House is not sitting. So what these people should normally. . . and I am not accusing all journalists, Mr. Speaker. There are some excellent ones, thank God!

But some of them distort the facts and lead people to believe that when we are not in the House, we are on vacation or travelling. We are having fun, whatever. Well, I think it is time for the people listening to us to know what a Member who wants to take his constituency work seriously does! And I am not the only one, many. . . I just mentioned the Hon. Member for Broadview—Greenwood who went to Quebec City for three weeks to learn French. I congratulate him, even though he is an opponent. He used those three months to learn the country's other official language. If all Anglophones had the courage to do that, I would be really proud. I went to Toronto for a week to start to learn English, to improve, and I will be happy on the day I can tell you what I think in English.

But that being said, it was not a waste of time. I think it is one of the great benefits of the House of Commons to provide all Members and their spouses with the opportunity to improve their ability in the second language. I worked on it, I was not loafing by going to Toronto to study English. From nine in the morning till nine in the evening, I was with teachers and I was there to learn. Yes, thank you, Mr. Speaker.

• (1310)

Mrs. Maheu: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order! The Hon. Member from Saint-Laurent on a point of order.

Mrs. Maheu: Mr. Speaker, I wonder if the words used by the Hon. Member opposite are not unparliamentary. He has repeated them twice.

Mr. Deputy Speaker: This kind of language should not be used. Although I do not think it has led to any disorder, I would ask the Hon. Member to refrain from using it.

Mr. DeBlois: Mr. Speaker, I appreciate your comment, and I will be careful not to use this kind of language. You will understand that in the heat of debate and especially with such attentive listeners, I might sometimes express myself by using images which are in common use in my region. This might seem trivial, but when ordinary people speak loud and clear, they use images of that kind. I have not invented them, I have just picked them up. And I respect these people even if they do not always use the language of Shakespeare or the sophisticated language of certain intellectuals.

Be that as it may, Mr. Speaker, I am proud to report on what I have done. Let me say, for example, that in the past three months, I have opened 325 files involving my constituents. I am extremely proud to say that I have spoken with all the people in the riding of Montmorency who have phoned me or come to visit me in my constituency office. In this way, I have helped 188 individuals about such things as employment assistance, tax problems, old age pensions, unemployment insurance, housing. Private businessmen also come to me to get information about federal programs. I have been in touch with public servants on their behalf. Furthermore, representatives from 88 non profit organizations have come to see me about federal programs in such areas as employment and immigration, housing, community affairs, and so on. And then there are municipal matters. Half a dozen mayors from my riding have come to see me.

Add to all this, Mr. Speaker, the preparation of my householder, which is a source of great pride for me. With this publication, I have done a survey in my riding. Gentlemen opposite may laugh. Some find it amusing when we consult the people. For my part, I am very proud to do so. I conducted a poll on the abortion issue. Instead of making lofty speeches, instead of holding forth, instead of blathering as some of my friends opposite are doing, I went to hear what the people of my riding had to say, I got some mail and at the appropriate time and place I will know what to say to convey the feelings of my constituents.

In spite of all that, Mr. Speaker, I did have an opportunity to be away from my riding for a couple of weeks to represent my country on the United Nations Commission on Human Rights—one of my Liberal opponents was even a member of our party—where I had a close look at the leading role Canada is playing to uphold and promote human rights.

Hopefully, Mr. Speaker, this information will enlighten my colleagues in the House. I should think we all agree on that score and that most of us take advantage of these parliamentary recesses to be close to our relatives and our constituents.

A second point, Mr. Speaker, and I will conclude my remarks. As a Quebecer I can tell you that I felt insulted by the words of the Leader of the Opposition (Mr. Turner) concerning Premier Bourassa of Quebec. My speech this afternoon gives me an opportunity to say that I am at one with the Quebec Premier who knows the importance of protecting the rights and the French fact in this country.

Once again, of course, Premier Bourassa had to invoke the notwithstanding clause. He did not have much choice because the Constitution foisted on us by the Liberals prevented Quebec from joining the Constitution. If we want to promote French as we are cleared to do by the Supreme Court, we have to be practical and pragmatic, and in that respect I am certainly not going to blame the Premier of Quebec—brothers as we are through race and culture—for taking steps to enhance the promotion of French within the huge Anglophone majority in Canada and in the United States. As a matter of fact, a number of the Liberal colleagues of the Leader of the Opposition—and I understand there will soon be a leadership convention—including the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart), the Hon. Member for Shefford (Mr. Lapierre), or people like Francis Fox and other former MPs, have all said: We lost our roots in Quebec during the last election. Mr. Turner's speech was just the way again to sink your roots in Quebec. I am ashamed about the remarks of the Leader of the Opposition, and in that context I am proud of the remarks of my leader the Prime Minister and of the Speech from the Throne.

Mr. Boudria: Mr. Speaker, I have no intention of asking the Hon. Member what he will be sitting on in coming weeks, as undoubtedly you will be glad to hear. Among other things, I am pleased to learn that he sent a householder, an excellent news, and I commend him for sharing his experience with the House of Commons.

I want to get back to some of the remarks he made in his speech. He said the Opposition had not been constructive enough, and he blamed the Leader of the Official Opposition and the leader of the New Democratic Party for taking a negative approach with respect to his Government. According to him we should be a lot more constructive, even when the Government does not act properly, which is the case presently.

I should like to ask my colleague opposite if one can conclude that he thought the Conservative Opposition was constructive during the many years they were on this side, particularly under the "leadership" of one Eric Nielsen who was acting Leader of the Opposition for a number of years while waiting for the present leader to find a riding somewhere so he would have a seat in the House of Commons. Specifically I should like to ask him whether he agreed with the attitude of some Members who at one time were prepared to chain themselves to the clerk's table to protest against a legislative measure, or whether he did not see anything wrong with the other incident one night when Conservative Members—led by the Hon. Member for Calgary who is now a Minister of the Crown—decided to surround the chair of the Speaker of the House of Commons.

I wonder whether he approves of that kind of thing or of the pairing system we used to have in the past when an Opposition Member and a Government Member had to leave the country together with a parliamentary delegation. Conservative Members broke the agreement, they sneaked out of their beds in Europe in the middle of the night to catch a Concorde flight and fly back early in the morning in an attempt to defeat the Government. Is that what my colleague on the other side calls constructive opposition?

Mr. DeBlois: Mr. Speaker, obviously, I appreciate the historical knowledge of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). Of course I do not live in the past. How should I put it? I am not a blindly partisan Member of Parliament and I do not support anything that might have been done, on any side of the House, against any positive position in this Chamber. You can keep harping on some past history, but I will not lose any sleep over it. I am here in 1989; I was not here ten years ago. From now on, personally, when it is a matter of programs, of official languages, I think I shall try to contribute as positively as I can to the debate and I hope that the Opposition will be able to give us positive arguments, whatever their limitations and the constraints they are under.

Mr. Young (Gloucester): Mr. Speaker, I listened to the Hon. Member for Montmorency—Orleans (Mr. DeBlois) and I would like to ask him a question because it occurred to me that maybe something had been forgotten in his speech. He was talking about the deficit and the burden his Government inherited from the Liberal Government in 1984. Mr. Speaker, my question to the Hon. Member is: Does he know what the deficit was in 1984 and does he know what the deficit is now, after four years of Conservative Government?

Mr. DeBlois: Mr. Speaker, in 1960, I think, we paid 12 cents per dollar of tax—the tax you and I paid—and now, for all Canadians, 31 cents of every tax dollar is just for interest on the debt. So calculate the difference; you are good with figures. You will see the difference between the two deficits.

Mr. Young (Gloucester): Mr. Speaker, I would ask my hon. colleague, who obviously is very strong in mathematics and we already know his ability in Latin, so we will not talk about those things more than we have to. But I wonder, Mr. Speaker, whether the Hon. Member would be ready to give us his version of the figures, the numbers. He can explain it any way he wants. What was the national debt in 1984, not in 1960? What was the national debt in 1984 and where is it today?

Mr. DeBlois: Mr. Speaker, it is of course very easy to ask questions on figures. I will get on the bus now and ask another Member what the deficit was in 1963. We do not carry that information around in our pockets! Come on!

Mr. Speaker, I am obviously not able to have them on hand, but those figures are known, I have them in my office, I can call my secretary and get you the answer. Those are known facts. If the Hon. Member is really in good faith, he will listen with interest next Monday to the Minister of Finance (Mr. Wilson), who will show us the true situation of the deficit in Canada.

Mrs. Copps: Since my honourable colleague is asking the question, I would like to pursue the matter because it seems to me that for the past couple of weeks the Conservatives have put the blame for the deficit and the national debt on the Liberal.

I would like to ask him if he is aware that over the past four years, during which a by-election was bought and billions of dollars were spent on friends of the government, the national debt has doubled. Is he aware of that?

M. DeBlois: Mr. Speaker, I take note of my honorable colleague's question. Once again, my remarks this afternoon were not meant to go into details since I would obviously have had to bring along a whole series of documents.

It is generally agreed among students of the economy that one of the reasons for the deficit is the sort of pattern the major change brought about by the Liberals when they were in office, the consequences of which we are now saddled with. I could give you a ton of references. But just read the newspapers and I think you'll get quite enough information.

Next Monday, I repeat, you will get answers to all these questions.

• (1320)

[*English*]

Mr. Keyes: Just as the Member mentioned that one day he would like to speak to us in English, I too would very soon like to address him in French.

I too worked very hard in my constituency and here in Ottawa during the three-month recess. How was your trip to France?

I wonder if the Member would give me an explanation or outline his attitudes on taxes directed toward music lessons. Would you favour such an idea or oppose such an idea?

[*Translation*]

Mr. DeBlois: Mr. Speaker, the Hon. Member's question is clearly premature. The government is currently examining, with courage and firm resolve, means of reducing the deficit; in this respect, I must say that I am not the Minister of Finance. Have the courage to ask the question to the appropriate Minister!

As for my trips, Mr. Speaker, I am quite comfortable in speaking about them, and I even gave a half-hour interview on that very subject the other day. I believe it is important that our constituents know that, within our duties as Members of Parliament, there is also Canada's

place on the international scene that must be taken into account.

Therefore, I am not ashamed to have been on that trip, I went to Geneva, to the Human Rights Commission, with the Hon. Member for York Centre (Mr. Kaplan). And like him, I added on a few days for visits, and I believe this was quite appropriate; and I am sure that the Hon. Member would be the last to blame me for that.

Hon. Lloyd Axworthy (Winnipeg South Centre): In rising for debate on the Throne Speech, I must change gears. Normally the opening days of a session on the Throne Speech are akin to spring training in baseball. You are there to warm up the arm, get your pitchers in place, get your legs in shape, and begin preparing for the real competition. The real battle will begin once you head into the major leagues.

Unfortunately in this debate, a disturbing, disquieting element has been introduced. The Prime Minister (Mr. Mulroney) spoke yesterday on his view of the Constitution, his attitude toward the protection of rights in this country. No Canadian and no Member of Parliament can let lie the assertions and the derogation of prime ministerial responsibility that we heard yesterday. We cannot allow a statement of that sort to lie without a response. It would be the first time in the history of this country that the First Minister of this nation, charged with the responsibility of being the protector of the fundamental laws of this land, describes them as being worthless. It is incredible and beyond belief that the steward who is responsible for giving inspiration to school children, men and women, and to all citizens about respect for the law, about an acceptance and a toleration for the constitutional framework that we have, can be so cavalier and callous in his dismissal of it. It is a remarkable and unprecedented intervention by the Prime Minister of this country. I hope we will never see it again.

The Prime Minister has done a great disservice to all Canadians for purely crass, political, partisan reasons. He has regurgitated that strange streak of revenge that is embodied in his soul in an effort to get back at the previous Prime Minister and the Liberals. He has to wreak his bile on somebody, so he tries to regurgitate history by saying Mr. Trudeau and the Liberals were responsible for some of the impasses that we now have in the constitutional development of this country. The fact that the Prime Minister will twist, turn, and distort history does not bother him a bit.

That type of assertion has been false and is irresponsible. I think all Members of Parliament should use this opportunity of the Throne Speech to remind the Prime Minister of his solemn oath of office, which is to defend the laws of this country, not to break them down and crash them to bits.

I want to take issue with the assertion the Prime Minister made. He attempted to demonstrate that the Government of which I was a member was itself responsible for undermining national unity by introducing and passing in this Parliament the ratification of the new Constitution in 1981 and 1982. What an incredible, silly, stupid assertion to make.

As the Prime Minister well knows, that was an historical moment. One of the great attributes of great politicians, of which he is not, is to seize the moment. Fortunately, we had a Prime Minister who understood how to seize the moment. Mr. Trudeau saw that convergence of events, that may not occur in this country for another 100 years, come together with a change to repatriate and restore our Constitution into Canadian control and to provide Canadians with a Charter of Rights that has become one of the most important documents in the history of Canada.

If you read the legal, judicial and constitutional experts, they say that the Charter of Rights and Freedoms reflects the new reality of Canada. It reflects the new rights, powers and privileges that have been denied women for so long. It gives expression to the multicultural character of this country. This is a document written in the 1980s, not 100 years ago. It gives expression to a new sense of rights of aboriginal people that have been denied for so long. Each of the articles in that charter are now in front of the courts across this country. They are being tested by lawyers to demonstrate how we can broaden, expand, elaborate and shape the law. To say the Constitution means nothing, that it is not worth the paper it is written on, is a total denial of what is taking place in a dynamic and effervescent way in this country. In Family Courts, Juvenile Courts or Supreme Courts of this country, cases are being heard based upon that Charter.

The Prime Minister says that because we had to agree to the "notwithstanding clause" somehow the Constitution is worthless. Well, I say to you for all the many Canadians who feel that the Charter is their endowment and the ratification of their rightful place in Canadian society, the words of the Prime Minister will sound hollow and sour in their ears.

• (1330)

Mr. Speaker, even on the notwithstanding clause, let us look at a little bit of the history. I do not want to regurgitate but I want to say something very clearly.

There was one reason only why the previous Liberal Government accepted a notwithstanding clause. That was because Premiers of provinces, including Conservative Premiers—the Sterling Lyons and the Peter Lougheeds of this world—would not allow any constitutional development to take place unless they got that clause. It was an expression of that virulent provincialism that is so much alive in this country today, where we are fragmenting the country into pieces. That is the reason.

There was nothing in the original proposal by the Liberal Government, by Mr. Trudeau, by Mr. Chrétien, by the Cabinet of the country, by the Parliamentary assembly. It was clearly an unequivocal condition of approval heaped upon us by a group of provincial Premiers, who have a very different concept of Canada and a very different view of how this country should be governed. They did not believe in the supremacy of the individual and that at the base of all law should be individual rights. They said no. The collective rights of a provincial majority in our assemblies takes precedence.

I understand that. That is, in a sense, the traditional kind of Conservative theology. It represents that societies are organized around groups, regions or collectivities, not around individuals. He was joined by the New Democratic Premier of Saskatchewan who shared that view. That is why we are so different from the other two parties. It is because we have put as the basic premise of everything the sacred democracy, the right of the individual. But that was challenged by provincial Premiers.

The Hon. Member for Lethbridge (Mr. Thacker) laughs about that.

Mr. Thacker: Did the National Energy Program support the individual?

Mr. Axworthy (Winnipeg South Centre): He laughs about the rights of individuals. He laughs about the fact that it was his own colleague, Peter Lougheed from the Province of Alberta, supported by the Member from Lethbridge who insisted upon the notwithstanding clause.

Mr. Thacker: Did the National Energy Program support the individual?

Mr. Axworthy (Winnipeg South Centre): If anybody is responsible, it is the Member from Lethbridge.

It is not sufficient to have Members of the Conservative Party try to cover up their own calumny of several years ago by now having their Prime Minister get up ranting and raving about the iniquity of the notwithstanding clause. Like the Soviets did when they took over, they are trying to rewrite history. We have across from us our own example of that kind of re-interpretation of fundamental fact.

The important point is not who was responsible. What is important is that it is there and it has been used in a way to suppress individual rights. Surely that is the real lesson that has to be learned. Surely the responsibility is not upon the Government of Canada to change that. The fact of the matter is that when the Prime Minister of Canada (Mr. Mulroney) had that opportunity behind the closed doors of Meech Lake, he did not use it. He did not even bother to raise it.

An hon. Member: He did not think it was a problem.

Mr. Axworthy (Winnipeg South Centre): That is right! At that time I did not hear the Prime Minister saying anything about that when he came before the House of Commons. We listened very carefully when he spoke about his Constitutional proposals. I heard nothing about the notwithstanding clause. Liberals raised it. Our Justice critic raised it. Our Leader raised it and said that should be part of the package. We introduced it as part of the amendments. I ask this: it is not too difficult a question. Even a Conservative Member of Parliament could understand it. If it was such a big problem, if it was such a terrible sin, if it was such a horrible smirch on the honour of Canada, then when we brought in the amendment why did not the Prime Minister and his colleagues agree to it? Why did they vote against it? It would not have been hard to do.

I listened to the Prime Minister yesterday and today he was in high dudgeon. High dudgeon is okay after the fact. But when he had the chance, where was he? I know where he was. I know where the Prime Minister was. He was not dealing with it at that point because he was trying to make a deal.

We see it as a problem, Mr. Speaker. We want it changed. We think it is very important for the operation of federalism to make that change. When our Leader spoke in the Throne Speech debate, again it was a question of trying to solicit from the Prime Minister a clear statement, not a high roll of anger but a clear statement.

My colleagues and I remember very well the period of this assembly just before Christmas when the issue emerged because of the Premier of Quebec's use of the notwithstanding clause. We had the then Secretary of State sneaking behind the curtains rushing out to give little press conferences for the Quebec press saying he thought it was a good idea while the Prime Minister was in here saying he did not think it was a good idea. We could never get the two of them to agree as to who was right. The only good thing I can say about having the present Minister of the Environment (Mr. L. Bouchard)

in his existing portfolio is that he is no longer the Secretary of State. He is no longer responsible for defending minority rights. What a paltry record he had in that position.

The Conservatives are the Government and we want to know. Even after all this time it is hard for them to recognize their responsibilities. When you start out not believing in Government, it is kind of hard to recognize its importance. But the Conservatives are in Government and they must take responsibility. It is pretty easy to end this debate. All the Prime Minister has to do is say "Okay, let us get this House of Commons together and come to an agreement on how we get rid of this clause". He does not have to dance around in his Gucci shoes. He does not have to jump up and down in anger and push and shove and yell and scream. All he has to do is say "Let us get the Commons together and do it". We are on side. The New Democrats are on side. I say to the Prime Minister wherever he may be, whichever watering hole he may be in at this moment, let him sort of decide what he is prepared to do.

[*Translation*]

Mr. Corbeil: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order! The Minister of Labour (M. Corbeil) on a point of order.

Mr. Corbeil: Mr. Speaker, I do not think this characterization of the Prime Minister is in order in the House of Commons.

Mr. Deputy Speaker: I think that the Hon. Member from Winnipeg—South-Centre knows the Rules.

Mr. Axworthy: Mr. Speaker, since the Prime Minister is not here, I suppose I must send him an invitation to get a response to my proposed solution on the notwithstanding clause.

[*English*]

Before I conclude, I think it is also important that this kind of shell game come to an end. I thought after getting a second mandate we would have a somewhat different kind of Prime Minister. I thought maybe we would get someone a little more honest and straightforward. He is now a world's statesman. He has turned the Government of Canada into a travel agency to arrange his world tours. I thought maybe this time we would get things a little more in order and that when we got the Throne Speech maybe we would get some straight facts. Again, I listened to the speech yesterday. Was it a whopper. You should have heard the things the Prime Minister was saying, Mr. Speaker, about why the economy was going wrong and why we have to get the deficit down.

I had the occasion to pick out a speech that was given by the present Prime Minister when he was Leader of the Opposition. It is fascinating to note what he said in 1984 and what he is saying now. In 1984 he said that "one of the reasons this Liberal Government is so terrible is that there is a flight of capital from Canada. That is what is driving interest rates up". He went on to say, "There is a flight of job creating capital". He said $17 billion has left the country. "As a result, this huge equity outflow is forcing the dollar down and interest rates up and we must do something about it".

Is it not true that last year some $30 billion left Canada? It is almost double under the Tory regime as to what it was under the Liberal regime. I did not hear the Prime Minister talk of that. I did not hear him talking about the reason for the flight of capital is because he has lost control over the whole question of foreign investment.

Then we come to the great matter of the deficit. Was he mad in 1984. You should have heard him. "Those Liberals, and the debt has reached $180 million". That is what he said as the Tory Leader of the Opposition in 1984. In 1988, it is $340 billion. As long as this this debtor's spiral continues, long-term interest rates will not be coming down. What was true in 1984 is true in 1988, and we had better do something about it. I did not hear the Prime Minister attribute those types of causes.

• (1340)

Here is an another titbit. This is the Prime Minister of research and development. He is the one who states that high technology is going to make the day. Back in 1984 he stated that the present rate of spending was terrible because only 1.3 per cent of GDP was spent on R and D. After five years of Conservative Government, it is now 1.2 per cent. We are even falling behind.

When one looks at the cut-backs in all the departments, one has to ask where was the Prime Minister when he should have been reading his 1984 speeches? I am going to send this speech to him, Mr. Speaker. This would be an awfully good speech for 1988. We only have to upgrade those figures. We only have to double the figures on the deficit, double the figures on the interest rates, and send him the speech. The only problems are his solutions, and that is where we always come a little bit of a cropper.

Tories are not very good at solutions. They do not know how to use Government very well. They do not have an understanding of the public sector. They do not have a sense of its capacity or ability to serve Canadians. We know how the Government serves its friends, but we are not so sure how it serves the rest of the country, which represents 99.9 per cent.

Unfortunately, when one refers to the Throne Speech, I guess we can say that the masquerade is over. The charade has come to an end. We no longer have those Tories talking about themselves as being Progressive Conservatives. Now we have the real agenda. Now we have the hard-rock, neo-conservative, put-it-to-them, jackboot philosophy that we knew was there all the time.

We have a Minister of Employment and Immigration (Mrs. McDougall) who in her brief tenure in office has made Margaret Thatcher look like Mother Theresa in terms of compassion and caring. We have a Minister of Transport (Mr. Bouchard) who drops so many messes that I feel I should take a newspaper into the House and swat him on the nose every day to clean up those messes. He does not have an understanding of his portfolio.

The Deputy Prime Minister (Mr. Mazankowski), the highly respected senior statesman of the party, is now hiding behind the desk because his brave promises of saving VIA Rail for western Canada are now going on the cutting room floor of the Treasury Board. The Government is betraying itself.

The Minister of National Health and Welfare (Mr. Beatty) has finally climbed out of his bathtub and is now preparing to do the same in the health and welfare field that he did in the area of defence, that is, to resurrect the cold war. This time it is not a cold war against Russia. It is going to be a cold war against poor people, aging people, and all those others who look toward Government for some kind of survival.

I tried to find a way of describing the Throne Speech. My vocabulary was not sufficient. I went to the new *Oxford Dictionary* and found the interesting word "entropy". It means lack of judgment, lack of guidance, chaos, no planning, no direction, no path. That is a good way of describing what we have. However, underneath it is that mean-spirited sense that the Government is not there to try to provide a sense of direction, a feeling amongst Canadians that they can rely upon a Government that will respond. There is a sense of a Government that carries a blind eye to the reality of the world. It does not care about the takeovers, acquisitions, and restructuring of our economy. It gives two lines to foreign policy. There are enormous things happening in the world. Disarmament and arms control are becoming one of the great opportunities of our time.

I spent a little time becoming acquainted with the area of international trade. The Government talks about our new opportunities in Europe and Asia. The Free Trade Agreement with the United States gets a passing mention. Now the Government is talking about Europe and Asia and how we are going to do great things there. It does not mention that in the last couple of years it has cut back all the expenditures on trade development, trade promotion, and trade fairs.

Our current accounts are falling. In 1985 we had a $900 million surplus with the United Kingdom. Now it is a $3.1 billion deficit. In 1985 we had a $327 million surplus with European trading companies. Now it is a $4 billion deficit. We are falling behind in every area of the world. At the same time, the Government is cutting expenditures to help small and medium-sized business to provide promotion and development of trade opportunities around the world.

Once again this document is exposed as being a totally fallacious accounting. It does not deal with reality. It deals with the fact that the Government is going to squeeze, pummel, and inflict pain upon the Canadian people for its own incompetence, mismanagement, and flagrancy. The message of the Throne Speech is that someone has to pay the price for Tory incompetence. The Official Opposition will not let the Government get away without telling the people of Canada exactly what is going on in the House of Commons.

Mr. Redway: Mr. Speaker, during the course of the Hon. Member's remarks he referred to the deficit and, of course, that was one of the matters referred to in the Speech from the Throne. It has been drawn to my attention that, in *The Toronto* Star *of March 21, a member of the Hon. Member's party, and I believe the financial critic for the party, the Hon. Member for Etobicoke North (Mr. MacLaren), was quoted as saying:*

> The federal deficit could be reduced by taxing back family allowance and old security payments from those who don't need them, the new Liberal finance critic suggests . . .if the Conservatives dare touch such programs directly the move will be attacked by the Liberals and blamed on free trade, even if the trade deal isn't to blame.

In addition to that, Mr. Speaker, he stated:

> But drastic action—possibly including both tax increases and spending cuts—is needed to cut the federal deficit. . .

Could the Hon. Member tell me if he agrees with the statements of the finance critic of his own party? Is it the official policy of the Liberal Party, as outlined by the finance critic, that the deficit should be reduced both by expenditure cuts and by tax increases?

Mr. Axworthy (Winnipeg South Centre): I am pleased to answer that question. The critic for finance in our caucus has a very difficult job trying to explain or understand Conservative policy. The only expression that we have heard from the Minister of Finance in the last several months is his declaration that Canada is now in the same category as Brazil, Mexico, and Venezuela. He was not prepared to talk to the press and tell them exactly what was going on. Our finance critic, who is a man of enormous generosity, compassion and understanding felt that it was important to outline to Canadians, by way of the interview, what type of options the Tories are considering.

That is all he said in looking at this hokum that is now being told about the deficit. Part of the problem is that we can never get the Minister of Finance (Mr. Wilson) in the country long enough to tell us what is going on. I guess he got his frequent flyer points from the Prime Minister (Mr. Mulroney) and as a result he is part of that world-wide network that the Tory Party is now engaged in. Our critic of finance stays home, and as a result he was simply trying to provide an important public service by outlining to Canadians what types of terrible Draconian options the Tories were going to be putting forward as part of their deficit reduction measures.

As a result, Canadians are more alerted and now understand what uncivil and deliberate tactics have been followed in this deficit game that the Government is playing. I think the Hon. Member, before he became a member of the bench, used to have a certain reputation for honesty and would appreciate the fact that our critic for finance is now saying something that he himself probably would have liked to have said.

• (1350)

Mr. McDermid: I rise on a point of order, Mr. Speaker. I am sure that if the records were checked over the first mandate of this Government, they would clearly show that the Minister of Finance (Mr. Wilson) was in this House a lot more than the Hon. Member.

Mr. Speaker: On questions and comments the Chair recognizes the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett).

Mr. Barrett: Mr. Speaker, I want to ask a question of the Hon. Member who spoke in the context of his own history and experience in this Chamber. I want to frame it with as much generosity as possible. I want to ask him what worthy cause was served by the statements of the Prime Minister (Mr. Mulroney) yesterday in terms of nation building. What was the intent of making that type of attack on the Constitution when the framework of Canada was under severe attack and it called for a consensus of all political leaders?

At that particular time—not that I am in defence of the Liberal Party—there was statecraft taking place in the construction of a Constitution that would have not solved every problem. One of the decisions was to include the notwithstanding clause at the insistence of two very right wing provincial Premiers, as well as the Premier of Saskatchewan. It was resisted by the then Leader of the Opposition who later became the Prime Minister, the Secretary of State for External Affairs (Mr. Clark).

I put this question to the Hon. Member. What is the mischief that is intended here? We understand that the Prime Minister can kick the Opposition, kick the New Democratic Party, but to attack the former Tory Prime Minister who agreed to that compromise is some kind of mischief that spells another agenda.

I ask the Hon. Member who has more experience at these higher levels of Government to explain to me what kind of Machiavellian reason would inspire the Prime Minister to lower himself to that kind of irrational debate, dragging out arguments from the past that add nothing to positive nation building? Was it the purpose of attacking his own colleague sitting next to him? Or is he moving ground away from the position that he has entrapped himself in dealing with Quebec today?

We have real serious problems in the country. They call for some leadership, thought, prudence, caution and wisdom. We did not see any of that yesterday. The Hon. Member has been here a long time. Has he seen that kind of performance before from a person who sits in that seat? I did not expect it, neither did editorialists. Perhaps the Hon. Member could explain to me what the real motivation of that absurd attack yesterday.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, after the Hon. Member's assertion with respect to my time in the House and my long experience I feel I should apply for my old age pension.

First, I believe that matters such as this are so fundamental that the kind of performance we saw yesterday is of no service to anyone. I would not want to attribute any undue motivation to the Prime Minister (Mr. Mulroney). The fact that he may have certain historical reasons for differing with his colleague, the Secretary of State for External Affairs (Mr. Clark), on fundamental matters is in the public record. Who am I to say that history is now repeating itself?

What I want to say is this. I expect better from a Prime Minister of Canada, especially this Prime Minister. One of his attributes that I did admire—there are not many but there is one I did admire—was illustrated when he came to this House. We were at that time dealing with the very difficult issue of French language rights in Manitoba, based upon the Supreme Court decision. I presented a resolution on behalf of our Party in terms of urging the Province of Manitoba to agree with the decision, to go along with it. The newly arrived Leader of the Opposition made a very eloquent, very strong, very provocative and important statement supporting that resolution. He gave a real sense of the protection of rights across Canada. I think we all admired and respected the statement at that time.

I want to know this: If he could say it in 1984, where was he in 1989? Why the change? Why the retreat? Is it because it is a different province? Is it because it is a different region? I do not know. The fact of the matter is he had a precedent. He had shown his capacity to understand a sense of nation building. What we have seen since does not give me much confidence about what he is doing now. That statement yesterday has set this country back another 20 years.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: For the last question and comment the Chair recognizes the Hon. Member for Edmonton Southeast.

Mr. Kilgour: Mr. Speaker, I would remind the House that in 1973 when the Member from British Columbia was briefly Premier of British Columbia he was asking that the entire Canadian oil industry be nationalized. The Member from Fort Garry was supporting the National Energy Program. So let us talk about walking your talk, to the Member from Fort Garry.

When he left office the deficit was $38 billion. I am told, and I hope he will contradict me, that when he left office, Mr. Speaker, he had 90 men and women from the Department of Transport, his Department, working on his ministerial staff. If I am wrong, he will tell me how many he did have doing that. I regard that as being a gross abuse of ministerial office.

What we are talking about today is walking your talk. I put it that nobody is in a worse position than the Hon. Member who just spoke, and his companion, his *petit* copain ici, à côté *to discuss this subject.*

Some Hon. Members: Hear, hear!

Mr. Barrett: Mr. Speaker, I rise on a point of order. I would correct the response by pointing out that in 1973 this nation was in an energy crisis. I said British Columbia would take a pan-Canadian position and share our oil and gas with all Canadians.

Some Hon. Members: Debate.

Mr. Barrett: Just to correct the record, I said that we would share the oil and gas with all Canadians—

Mr. Deputy Speaker: I think we will resume debate.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, may I make a response?

Mr. Deputy Speaker: We will have a short answer from the Hon. Member for Winnipeg South Centre and then we will resume debate.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I appreciate very much your generosity. I will just give the Hon. Member a very quick answer.

I have had occasion to briefly thumb through the Hon. Member's book—it does not take much more than a brief thumb through. The fact of the matter is something caught my eye. It was the enormous condemnation of his own Government's efforts in western Canada.

I would remind him that when I was Minister of Transport that Department introduced the modernization of the railways, brought $9 billion worth of investments into that region and signed ERDA agreements worth $2 billion—none of which has been repeated by his own Government. I say to him that if that was worth 90 people working, then they had better get 180 people working.

Some Hon. Members: Hear, hear!

Mr. Garth Turner (Halton—Peel): Mr. Speaker, it is a privilege to be taking part in the debate on the Speech from the Throne, as it is a privilege to sit in this House. Our debate here centres around Canada's obvious problems, around our national goals, around the Government agenda and the future.

The Throne Speech touched on many areas but those which impressed me most were, first, the crying need for fiscal responsibility in the country, to really tackle our budget deficit and our national debt. I was also struck by the words of caring about the environment in the Throne Speech. I thought that was really a pivotal part in it. Perhaps this is our greatest responsibility to the future. I was certainly struck as well by comments on reforming the tax system. I think that Canadians really want us to work toward a fairer tax system in general.

Before I comment on some of those areas, I would like to say a couple of words about politics and partisanship. Some issues are simply too important for politics and for party positions. For example, I think environmental concerns should rise above politics. I also think that in many ways economics should rise above politics. In both of these instances we are talking about something fragile and wonderful, that is, the future. For example, if we poison our waters, pollute our air, our soil and our earth, then it is those who come after us who will really suffer. It is the same with our economy. If we indebt our land, if we bankrupt our children, the same will happen. If we indebt ourselves to foreign lenders, then it is not our generation that suffers immediately, but the generations which come after us.

• (1400)

These are clearly not Conservative problems, nor Liberal problems. They are not New Democratic problems. They are all of our problems. I think the Speech from the Throne indicated that the government is going to make reducing the deficit a national priority, and I must tell you, Mr. Speaker, that I stand 100 per cent behind that objective. I feel the Minister of Finance is most responsible in throwing every effort into cutting down the amount we are forced to borrow to run Canada.

Politicians have been too reluctant to talk about our finances. Maybe some of them do not understand. Maybe some of them do not care. Maybe others thought Canadians were not concerned about who pays the bills and how. Maybe the polsters told the politicians that talk about deficits is not sexy with taxpayers, and so politicians have not really been talking about Canada's dirty little economic secret, but it is clearly too late to pretend that it does not exist.

We have a national debt of $325 billion. Every year it costs us close to $30 billion just to pay the interest on that existing debt. Now the taxes that Canada collects are basically enough to support the expenditures that the government makes, but we do not have close to the $30 billion it that it takes to service that debt. So we borrow it, and every year that we borrow, our debt increases that much further. That is why we have a deficit. It is the interest payment on the debt.

It means every hour, every day, our country falls deeper into debt, and during the few minutes I am going to be standing here, Canada will fall into debt by another $1 million. Today alone, Friday, April 7, our country will be $18 million more indebted than it was at the end of the day yesterday. At the end of this year, our country will be thirty thousand million dollars more in debt than it was last year.

If we ran a business that way, the business would be bankrupt. If your family handled its finances that way, the family would be insolvent, homeless and penniless, and yet here is Canada living on borrowed money and borrowed time, and only now have we really started to talk about getting it back on track.

So I say that it is not a partisan problem. It is simply a tragic problem that we all need to address. I do not think that Canada should run deficits, and I do not think that deficits are anything more than deferred taxation. Deferred from where? Well, from future generations. Deficits are the economic equivalent of toxic pollution of the environment. They are like cutting down rain forests, like polluting water, like pumping sulphur into the atmosphere.

Deficits are irresponsible because they pollute the future. Deficits bring debt, and debt will kill Canada. It is just that simple. Debt will impair our ability to set our own interest rates for example. Debt will ensure that taxes will forever rise, and the middle class as a result will slowly be wiped out. Debts also put our social programs at risk. These deficits that we are running simply represent a transfer of wealth from one generation to the next, from the future generation to ours.

As the Finance Minister has said, it is time to be building for the future and not borrowing from it. So what are we going to do about it?

The Speech from the Throne started to pave the way, and that is why I support it. It paves the way for the Finance Minister to bring in a budget on April 27, which will be responsible and tough and which will do the right things. Doubtless there will be special interest groups and critics who will howl on budget night. But I would like to ask, who among us would be Finance Minister on that night? Who has the courage to stand up and tell Canadians what to do? It takes guts for a politician to do that. It takes guts for a politician to promise people less instead of incessantly promising them more. It takes guts to stand here and tell Canadians they have to make

sacrifices, when life seems good and credit at the bank is easy to get, but it has got to be done. There is no choice.

Everyone is saying it. For example, the Chamber of Commerce did a survey the other day that found that only 9 per cent of Canadian businesses thought the Government had done enough to reduce the deficit. The International Monetary Fund, as we know, wants our Government to cut the deficit by $9 billion. If it does not, it warns that we are going to be incurring deficits well above $30 billion for quite some time.

Editorial writers from across the country have been urging the government to do something about it, do more, cut further, be more responsible. Business groups have been there at the bar urging us as well, and I will quote from a speech given the other day by the President of the Business Council for National Issues:

> Interest payments on the national debt today add up to more than twice what is spent on our major elderly benefit programs combined. Old Age Security, Guaranteed Income Supplements and Spouse Allowances are three times more than the federal government spends on all economic and regional development programs. Even more worrisome is the prospect of recession, saddled with large deficits and soaring debts of servicing costs, the capacity of the country to respond to a significant economic slow-down is alarmingly limited.

Yes, those are voices from the business community, voices of people who have studied the economics of the situation and who are frankly concerned about it, but the business people are not standing alone. Standing shoulder to shoulder with them are legions of ordinary people.

Over the last few days, Mr. Speaker, my office has been swamped with hundreds of letters from individual Canadians who are concerned about the defict and who want a strong message related to the Finance Minister.

I would like to quote just a couple of comments that have come in.

Linda Adshead of Mississauga, Ontario writes me:

> During the last federal election, my two major concerns were the deficit and the future of our environment. I feel that if we do not get these things under control, we will not have a country to worry about. The deficit has been a concern of mine for many years. It is now out of control, and something has to be done about it now.

Pat Kenler of Whitby, Ontario writes me:

> The massive debt which the people of this country must support is overwhelming. When the budget is brought down in April, drastic spending cut-backs must be enforced. I am truly concerned about my future as a Canadian. I agree we should promote patriotism where Canadians should stop bitching about what the government does for them. We are in a country so vast, so full of resources that there is opportunity for everyone. Please cut back on all the money that is handed to people to get their vote.

Helen Gordon of Mono Mills, Ontario writes me:

> The situation is as grave as the great depression. What should be done? First of all, action by all citizens, politicians, corporations, bureaucrats. Governments must reduce spending. Citizens will have to pay more taxes as do corporations. Lobbyists will have to reduce, if not eliminate, grandiose ideas of government grants for everything. Citizens will have to realize they cannot have it all. National support programs will have to be monitored and reduced to within operable range. Full co-operation from all aspects of society demands a tough attitude. This will not be easy. We have had it that way for too long. The time of decision is at hand.

Mrs. Penny of Mississauga, Ontario writes me:

> I have reached the age of 60 and have watched with dismay our ever increasing spending and consequent debt. Everyone has been paid too much and lived beyond their means for the past 30 years. Shame and thrift used to be two very important words. We used to brag about how little we pay for something. Now all of us brag about how much we pay.

The Gaylord family of Campbellville, Ontario write me:

> Mr. Turner, we are prepared to help where we can. At J.F. Kennedy's exhortation is needed as a philosophy: "Ask not what your country can do for you; ask what you can do for your country."
>
> Help us convince the majority in government that we need to reduce the deficit, that spending reductions are essential, that social programs need to be reviewed.

• (1410)

Lynn Schnitter of Stroud, Ontario, writes me:

> I have read what you have written on the deficit. I looked at our five-year old son and I realized I must write to you now.
>
> You see, I don't want our son growing up in a banana republic, nor do I want him to be part of a future USA north. We are trying hard to provide him with the financial security for our future and we are certainly not counting on our Canada pension for ourselves. We have swallowed personal sacrifices in the past and present and would do so again for the economic well-being not only of ourselves but for our country.

These are the voices of the people. It is not big business, not partisans, not politicians, just people. They know that deficits breed high interest rates. The people know that all we get is a vicious circle of more debt which threatens people further. It threatens their families, threatens their jobs and threatens our whole future.

We have a situation now that if deficits are not trimmed and debt is not refinanced, we will simply lose the ability to set our own interest rate policy. That will mean that homeownership will slip through the fingers of more and more Canadians as mortgage rates rise unchecked. It will make it harder for people to afford consumer and durable goods. That will ultimately result in the loss of jobs for thousands of Canadians. How long will we allow this to keep on?

Can we not say on April 27, when the Budget is brought in, that this is where Canada stands, this is where Canada says enough, from here on we manage events, we pay our own way. We are honest, we are upfront. We tell people what comes next. We ask for fairness for all. I think we can do it.

Between Confederation and Canada's Centennial in 1967, the country ran up $28 billion in debt. For that we built a transcontinental railway, we fought and won two world wars. But in the next 21 years we increased the national debt by 1,000 per cent, to the point where now we are one of the most indebted peoples on the face of the earth. At this rate it is only a matter of time before our whole national economy is threatened and we lose the ability to finance medicare, social programs, health, education, and all the rest for which we have fought so hard.

Obviously in a situation like this the Government needs the help of everyone. In particular, the country needs the help of those of us in the House.

I listened to the Minister of National Health and Welfare (Mr. Beatty) this morning trying to make a similar point, that all of us share the responsibility for getting the country back on track. All of us know that the ultimate threat we faced to our spending programs is $30 billion a year in additional borrowing. That one thought alone should bring us above the partisan frame, and I hope it does.

The problem can only be solved if we act as responsible individuals, especially here. Instead of simply dumping by rote upon the Minister of Finance (Mr. Wilson) on April 27, it is my hope that all the words that are spoken in response to what he does are constructive and designed to help Canada. Nobody wants more taxes, especially me. I am probably one of the few Members of the House who has had the privilege in the past to be outside waving a sign in front of this Parliament, talking about exactly this, the issue of taxation. What we face now is a war for Canada's future. What the Throne Speech tells us is that we have a duty, simply, clearly, responsibly, to take action.

I would rather see billions of dollars more spent every year on caring for my parents in their old age, or caring for the environment for our children, than I would see those billions go to foreign lenders in Tokyo and New York.

My seat here in the House of Commons falls on an imaginary line running between government members and opposition Members. My greatest hope is that during this session we can reach across the imaginary lines, lay down the rhetoric, and do something right for Canada.

Mr. Parent: Mr. Speaker, I want to congratulate the Hon. Member for Halton—Peel (Mr. Turner) on his speech. He has thought a great deal about what he wanted to say in the House.

If he is to cut the social programs, does that mean he would tell not only the House but the caucus and his Ministers that he is not in favour of the universality of the programs we have now with regard to family allowances, old age pensions and medicare? Would he tell us his personal view on the Government's proposed expenditure on the nuclear submarines?

Mr. Turner (Halton—Peel): Mr. Speaker, I support a progressive tax system which effectively takes from those who do not require social assistance programs and social assistance payments, and returns it to the federal treasury. I think that is the fairest way of dealing with the situation at this particular time.

As far as the nuclear submarine program is concerned, the Government has a plan by which over the course of the next 25 years annual expenditures are roughly $300 million will be expended to finance the construction of the submarines. Certainly the defence policy White Paper clearly defines the need. If we do make the argument and believe that we should defend Canada, it clearly stated that that was the most effective way of doing it.

I think we must go beyond merely looking at that expenditure because the cuts that will be required for the additional revenues will be in the area of $5 billion to $7 billion. We need to go much further than that program.

Mr. Althouse: Mr. Speaker, I want to welcome the Hon. Member to the House and congratulate him on his maiden speech. I enjoyed his comments about the deficit. I remind the House that the accumulated deficit has in fact doubled in the last four or five years under the Government of which he is a part.

During his analysis I believe he stated that deficits caused higher interest rates. Yet my observation in the last four or five years, while we were running up the first $38 billion annual deficit which the Conservative Government shared with the previous Liberal Government, followed by a series of $30 billion plus deficits, is that interest rates actually dropped because we permitted the Canadian dollar to drop. When we had a 68-cent dollar, we had relatively low interest rates. The Government, for some reason, seems to be instructing the—

• (1420)

Mr. McDermid: That is not right.

Mr. Althouse: Yes, it is right. Check the data.

Mr. McDermid: Interest rates were about the same as they are today when the dollar was at 69 cents.

Mr. Althouse: If the Hon. Member will check, he will find that the interest rates have gone up nearly 4 per cent at a time when the dollar has gone up from 68 to about 83 or 84 cents.

The reason I raise it is that it seems the data do not fit with the theory generally abroad that deficits cause rising interest rates, and this is important for deficit cutters like the Hon. Member for Halton—Peel (Mr. Turner), because when the interest rate is kept down, that means that there is less cost in servicing that deficit. If we would go from a 12 per cent to an 8 per cent interest rate, for instance, rather than paying just over $30 billion a year in financing costs, that would drop to $20 billion and there would be an additional $10 billion for discretionary spending, or perhaps even a reduction of the accumulated deficit.

I was just wondering where the Hon. Member's analysis goes in that regard. Low interest rates and low dollars permit this country to continue to be a very valuable exporter and encourage the exports that helped us to maintain particularly the hinterland regions like mine.

Mr. Turner (Halton—Peel): Mr. Speaker, I am also pleased to respond to that question, and I think it is well put by the Hon. Member.

In terms of interest rates, it would be clearly impossible for the Government to instruct the Bank of Canada merely to cause an across the board reduction in interest rates. That would simply send a negative signal to world markets and would result in a drop in our currency. Ultimately, that would accelerate the problem by forcing us to re-examine our interest rate policy in order to rescue our currency. So I do not think that is an alternative.

I am sure the Hon. Member knows quite well the theory of supply and demand. When there is a great demand for a commodity, the price of it goes up. Simply put, the price of money is interest, and when there is great demand for the commodity of money, the price of money goes up. When a Government puts great demands on the capital markets, as a result we have competition for available funds and we do see interest rates rise as a result of that.

There is another element coming into play, of course. We do have an inflationary problem in Canada, particularly in central Canada. It is important for us to address and deal with that problem early on before it accelerates. We are in an economic situation now not unlike that of the late 1970s. It is important for us to put the brakes on the economy slowly, responsibly, before it runs away, and we have an inflation problem that takes double-digit interest rates to deal with. An ounce of cure now is much better than a pound of prevention later, and I fully support the Bank of Canada's policy.

Mr. Martin (LaSalle—Emard): Mr. Speaker, the Hon. Member referred to the cost of the submarine program. It is my underscored understanding that *Jane's Fighting Ships*, the most authoritative document on this particular issue, has brought that cost in at some $20 million, substantially in excess of the Government's estimates. I wonder if the Hon. Member would like to comment on that.

I also wonder if the Hon. Member would like to comment on the fact that it is estimated that the vast majority of the technical work on these submarines will in fact be contracted abroad; in other words, that there will really be no industrial offsets or benefits to Canada apart from rather rudimentary steelwork.

Mr. Turner (Halton—Peel): Mr. Speaker, I will not presume to answer for my colleague, the Minister of National Defence (Mr. McKnight), and I think that that question should rightfully be directed to him at Question Period.

All I can say is that *Jane's Fighting Ships* is not an agency of the federal Government and I doubt it has more inside information than those who prepared our estimates, but I would ask that the Hon. Member direct that question to the Defence Minister.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this afternoon to take part in the debate on the second Throne Speech of the Thirty-Fourth Parliament. Some people may assume we are talking about the inaugural speech, Mr. Speaker, but that is not the case. In fact, we had a very short session before Christmas to accommodate the agreement negotiated by the Prime Minister of Canada (Mr. Mulroney) and his U.S. counterpart, the President of the United States.

I must say that I regret the outcome of the first session. I regret that the Canadian Government, despite our efforts to convince them that they were on the wrong track, nevertheless decided to ratify this Free Trade Agreement which in both the short and long term will be harmful to Canada's economy.

Mr. Speaker, I would like to start by taking this opportunity to thank the people of the riding of Glengarry—Prescott—Russell for their tremendous support during the last election campaign. I am particularly thankful, Mr. Speaker, that my constituents decided to ask me to sit for a second term in this Chamber, and that they did so by giving me a vast majority, nearly 26,000 votes more than my nearest opponent. I am very thankful, and hope that during the next four or five years, I will be able to fulfil the duties attached to a mandate I was given with such an impressive majority.

[*English*]

The riding that I represent is indeed a very special one. I am sure that each MP thinks that the constituency he or she represents is the nicest, and it is after the one that I represent. We are probably all correct, of course.

As you know, Mr. Speaker, Glengarry, of course, is the home of the first Premier of the Province of Ontario, Sir John Sandfield MacDonald. It is also the birthplace of the United Empire Loyalist movement, and it is, of course, a very, very special place in the hearts and minds of many Canadians.

Indeed, the Scottish tradition of Glengarry is still alive and well and there are still the occasional Glengarrian who can still speak Gaelic, although there are few of them left.

[*Translation*]

In Prescott County, however, which is quite different from the riding of Glengarry—Prescott—Russell, most of my constituents are Francophones. For instance, Longueuil Township, which is located in Prescott County, was known as the Seigneurie de Longueuil before the Constitution Act of 1791. At the time part of New France, it is now part of the electoral district I have the honour and the privilege of representing.

[*English*]

The County of Russell is different again from the two others. It is near the City of Ottawa. It is the area which is perhaps the closest to me for it is near that part of the riding in which I live. I live in the Township of Cumberland in Ottawa—Carleton near Russell County. I consider myself to be a resident of that area, an area where I have spent all of my life.

I also represent a very small portion of Stormont County, namely the Island of Cornwall in which we have the Akwasasne Indian community, a people who are very, very proud but have had considerable difficulty in functioning in an area which is part of Ontario, part of Quebec and part of New York State, all within the same community.

This difficulty has been with us for some time and successive Governments have failed, in my view, to assist the residents of Akwasasne properly. It is my hope that during the next few years, together, we in this Parliament can work constructively to assist the people of Akwasasne. If we succeed, perhaps some day the people of Akwasasne will exercise their right to the franchise. No one in Akwesasne voted in the last election, period. No one voted in the previous election or ever before that. There is one instance where one person voted in Akwesasne in the 1950s, and he was chased away from the community for having done so. That is a sad reflection on our inability to help those people. If we in this Parliament could ever convince them to do otherwise, then it would be a great day. If we could convince them to vote, it means that we will have earned that respect from that which we have failed to do thus far.

• (1430)

[*Translation*]

Mr. Speaker, the main themes of the Throne Speech are as follows: The Prime Minister favours (1) a strong economy; (2) protection of the environment; (3) he wants Canada to continue to be a caring nation; and (4) he wants to promote the values of Canadian citizenship. Those were the four main themes, Mr. Speaker. I would like to address them one by one and give you my impressions on these themes, not as isolated concepts but in terms of the Conservative Government's past record and any action we will see in the future.

[*English*]

This Government, during the last election campaign, accused the opposition Parties of making commitments which they said were not in the best interests of Canada. The Prime Minister (Mr. Mulroney) chastised the Leader of the Opposition (Mr. Turner) and told him he was making promises he should not be making. Some very astute people in the media said to the Prime Minister: "Haven't you made promises?" "Oh, no," said the Prime Minister, "that is not the same. When I make promises, they are not really promises. They are commitments. We already have all that money in the Budget. We already have all that money in the Estimates, and of course we will deliver on everything we have committed to".

There are rumblings across the way that not only will they not be delivering on those promises, but they will cut back on what Canadians have already. For instance, the constituency I represent and the one represented by my distinguished colleague, the Hon. Member for Stormont—Dundas (Mr. Kilger), are served by VIA Rail. It is very important for our area. We are now hearing that there will be severe cut-backs, if not a total shut-down of that Crown corporation, at a time when the service is being more and more utilized by the Canadian public. There has been an increase in use in the last 12 months at VIA Rail of in excess of 10 per cent. If we did not have a VIA Rail, we would probably be planning to build one right now. Of course we would want it better than the way it is working. That is true of most things, but that does not mean that we should be shutting it down at the time that we are now.

Let us look at what the Government was promising to Canadians in the period between May 30 and September 30, 1988—I am sorry, I should retract that, the commitments that the Conservative Government of Canada was making, because we have been told by the Prime Minister, and we would never want to contradict him, that they are not promises but commitments.

On May 30 in Ottawa, the Minister responsible for multiculturalism promised $62 million of funding for multiculturalism over five years. I am waiting to see whether that will stay in the Budget.

On May 31 in Calgary, the Minister of Agriculture (Mr. Mazankowski) promised $12 million for the emergency drought relief program for prairie farmers. We all know how poorly that program is being administered.

On June 3, 1988, in Montreal the Prime Minister promised $110 million for clean up of the St. Lawrence.

On June 7 in Ottawa, the Minister of National Health and Welfare promised $40 million for victims of family violence.

On June 7, the Secretary of State at that time, the Hon. Member for Lac-Saint-Jean (Mr. Bouchard), promised $1.4 billion federal funding for teaching and promotion of bilingualism. That is a bit much coming from that gentleman.

On June 8 in Winnipeg, the Minister of Health promised $129 million for an AIDS research program.

On June 9, the Prime Minister promised $515 million for economic development over five years in the Province of Quebec.

On June 14 in Alma, the Prime Minister—need I remind you what was happening around June 14 in the Alma/Lac-Saint-Jean area. A certain person flew across the ocean and descended upon Lac-Saint-Jean to come and give his presents to the area.

An Hon. Member: Very expensive.

Mr. Boudria: Very expensive fellow, yes. The Prime Minister promised—

An Hon. Member: He got re-elected.

Mr. Boudria: Listen closely across the way. We will ask questions later.

The Prime Minister promised $40 million to build a road from Lac-Saint-Jean to James Bay. What happened on June 16 in Alma, a long period afterwards, two days? The fact that we were in the middle of a by-election to elect the Prime Minister's friend to Parliament had nothing to do with this, and I would never be suspicious of that. On June 16, the friend in question, who was the candidate for the by-election, promised $1.5 million to establish a new youth employment centre in the riding he was running in at that time.

On June 20 in St. John's, Newfoundland, the Minister responsible for external trade promised $800 million as federal compensation for the callous closure of the Newfoundland railway.

On June 23 in Ottawa, the former Minister of Communications, who was soundly defeated by my learned colleague from Kingston and the Islands on November 21, had promised $250 million to support the Canadian film industry.

On June 23, the same Minister promised $35 million of extra funding for the CBC for future expansion.

On June 24, the Minister of Consumer and Corporate Affairs (Mr. Andre), alias the Minister responsible for the Post Office, promised $1.6 million as a bail-out for the Consumers' Association of Canada.

This is all before the election just happened, too.

An Hon. Member: There was no national debt then.

Mr. Boudria: There was no national debt. It was only in the area of $300 billion before the election. What's $300 billion?

Let me continue, because there is more.

An Hon. Member: Pretty exciting.

Mr. Boudria: I know it is exciting but let me continue.

On June 25, the Minister for multiculturalism promised $900,000 for government advertising. I know that is hard to believe, government advertising.

On June 26 in British Columbia, the Minister of Fisheries and Oceans awarded a $1.8 million contract to carry out research.

On June 27, the Minister of Consumer and Corporate Affairs announced $5 million to establish a national review board to monitor Canada Post.

On June 27, the Minister of Agriculture, together with his colleague from Nova Scotia, the Hon. Member for Central Nova (Mr. MacKay), announced a $30 million federal government program to assist Nova Scotia agriculture.

On June 28, the Minister of Finance (Mr. Wilson) announced $38 million in duty remissions to those poor fellows at Goodyear.

On June 29 in Ottawa, the Minister responsible for regional industrial expansion announced $7.2 million to establish international trade centres across Canada.

I could go on and on describing the millions and billions being spent. Let me give you another example where money was spent.

An Hon. Member: Committed.

Mr. Boudria: I am sorry, committed. I am sorry for that *faux pas*. I would never want to accuse the Tories of promising or otherwise spending. They are committing money, according to the vocabulary dictated to us by the great one himself, the Prime Minister.

I will go a little further and describe that on July 20, the amateur Minister of fitness and sports—no, I am sorry—the Minister of Fitness and Amateur Sports—

An Hon. Member: Captain steroid.

Mr. Boudria: —promised $600 million in contracts over the next four years.

The then Minister of Defence on July 21 announced the purchase of 820 northern terrain all-weather vehicles. That is a cost of $420 million.

On July 21, the Minister of Health announced a program of $1 billion for day care. By the million and by the billion, all from a Government during an election campaign. It was telling us then that it had all that money in the budget, all that money in the Estimates. If it were true then, Mr. Speaker, what happened to the estimation process, I ask you, if right now we have to cut back? Our colleague from Halton was telling us a while ago we had to cut back. At that time he was a writer, probably criticizing some of these outrageous promises that were being made. I do not know what happened. As my distinguished colleagues behind me say, the Tories obviously peeled back on some of the commitments they had made.

• (1440)

[*Translation*]

Mr. Speaker, in the Throne Speech the federal Government said we must protect the environment. Saying so is easy. It's like saying we should like apple pie. Of course we do, and of course we should or at least most people will want to protect the environment. However, when we see that during the last Parliament, during the last four years, the Government cut back staff at the Department of the Environment and either made budget cuts or at any rate refused to increase the budget and votes for the Department of the Environment in proportion to the rate of inflation, how can we be expected to take the Conservative Government seriously? Mr. Speaker, not long ago I heard on the media that an organization in the United States was going to present a medal or some kind of award to the Prime Minister for what he has done for the environment. It is nice to see that some Conservative Members are applauding, since the same group that wants to congratulate the Prime Minister has some of the biggest polluters in North

America among its members who, last year, congratulated President Regan. Would you want to be associated with what Ronald Reagan did for the environment?

An Hon. Member: Hear, hear!

Mr. Boudria: Perhaps the Tory Member who just applauded would like that kind of association, but I wouldn't, Mr. Speaker. Not me.

[*English*]

The Prime Minister said in the Throne Speech in his thirteenth theme that we should be a generous society. It is hard to believe that the Prime Minister is serious about this issue of being a generous society. I know that not everyone will agree with me on the following topic, but in my opinion any society who fails after this length of time to have any kind of legislation to protect those least able to help themselves—I am speaking here of the unborn—can hardly call itself a generous society under anyone's definition.

I respectfully submit that the failure of the Government to commit itself to a law on abortion—and I know we do not all agree on what the law should contain but it even failed to state that it wanted to have a law—in my view is totally inappropriate.

[*Translation*]

Mr. Speaker, the Prime Minister told us he wanted to promote the values of Canadian citizenship. How can we take this statement seriously, when during the last three months, the Government has been using Governor General's warrants instead of facing the House? How can we, when the Prime Minister himself repudiated the Constitution of our country in this very House yesterday? I ask Hon. Members opposite: How can we take these comments seriously?

[*English*]

In conclusion, I want to state that in eastern Ontario, outside the general area of the City of Ottawa proper, there still is considerable hardship and considerable unemployment. This Government has promised in the Throne Speech to have regional development programs for the Atlantic, for western Canada and for northern Ontario. All previous Governments had recognized that northern and eastern Ontario needed development. This particular Government has neglected the words "eastern Ontario". We, as Liberals, have 12 out of 14 seats in eastern Ontario. We refuse to subscribe to the doctrine dictated to us by the Hon. Member for Mississauga South (Mr. Blenkarn). We want to stand up and we want our share for this part of our great country.

[*Translation*]

In conclusion, Mr. Speaker, I would like once more to thank my constituents of Glengarry–Prescott–Russell for the honour and privilege of representing them during another term.

Mr. Deputy Speaker: I am informed an incident is happening outside the House, and people inside are asked to remain here, even at 3 o'clock, until we can leave.

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Whittaker: Mr. Speaker, I noted with interest the last speaker's comments on government spending and the attitude of the Government toward its spending.

This leads me into another area near and dear to the hearts of westerners, particularly those in the Province of British Columbia, that of patronage contracts and the letting of procurements. In British Columbia, from 1984 through to 1988, procurement dropped from approximately 6 per cent to approximately 4 per cent, with British Columbians having approximately 11.5 per cent of the Canadian population. Given this inequitable situation, what is the position of the Hon. Member's Party with to the letting of government contracts? Will he encourage his Party and his Leader as a Member from British Columbia to encourage equity in the area of patronage contracts and in the area of letting government procurement contracts?

Mr. Boudria: Mr. Speaker, I want to apologize to the Hon. Member for having missed the first few moments of his question. Our Deputy Whip informed me of the present unfortunate situation going on outside the Chamber, and I will leave that for the present moment. I do apologize. It was not that I did not want to pay attention to his question which is undoubtedly very important.

In the area of the awarding of contracts during the last Parliament and so far in this Parliament, I have been the Government's operations critic for our Party. One of the tasks for such a role in the last Parliament was to establish constructive criticism in awards of contracts, public sector ethics, lobbying legislation and so on, as policies for our Party.

Those were announced during the last Parliament. I was one of the people who contributed to the present lobbying legislation that we now have, which has not been promulgated yet, I do not think. At least it is not in effect at the present time, but we did adopt it as a Parliament during the last Parliament. I think it was a good effort in all-Party co-operation.

In terms of other public works and supply and service contracts, some measures have been improved over the last two or three years.

I think everyone will say—and even the Prime Minister acknowledged that particularly in the beginning of his mandate in 1984-85 or so—that there were considerable difficulties in the administration of that. I am not going to get into the activities that went on, the charges and so on that have occurred. Those are there on the public record.

I think what we have to do, and some of these things have taken place already, is to ensure that we lower the threshold which is utilized in order to determine what contract goes out for public tender. We need to enforce the regulations in so far as determining what the exceptions are to those tendering procedures. There are always emergencies when we have to call a plumber in the middle of the night to repair a facility, a boiler or a heating system. I think we all recognize that this kind of situation must continue. .

We must tighten up the rules as much as we can. We must also strengthen the conflict of laws that we have not only for Members of Parliament and cabinet Minister but for some of the senior civil servants as well. I think the stricter those rules the better they will be. Some people have said that stricter conflict of interest rules will discourage people from entering public office. I hold exactly the opposite view. In fact, hopefully the stricter the rules, the better the system will be. If the system is better, people will be more attracted to run for public office because it will enjoy a higher level of reputation than it does at certain unfortunate times right now.

• (1450)

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): First, Mr. Speaker, I am pleased to have this opportunity to say a few words in this hour of debate that is coming to an end today on the Throne Speech. Also, I would like in the first place to take this opportunity to thank my constituents in Saint-Maurice for trusting me on November 21, 1988, when they elected me as their first Progressive Conservative MP in 97 years.

During the Throne Speech, Mr. Speaker, numerous references were made to all areas involving the environment, and my constituency has been very much in the headlines these last few days with the PCB spill from the Belgo plant in Shawinigan. People in my constituency have been very concerned, because this is the second toxic spill from that plant in three months and they have every reason to be disturbed. The Belgo plant in Shawinigan has been in breach of the environment laws on many occasions over these last few years, a fact that has surfaced a number of times.

You know, Mr. Speaker, I was very amazed during these last weeks to see how much the whole issue of the environment is an important one to people in my constituency and to Canadians from sea to sea.

I had the opportunity, pleasure and privilege to rise three times in this House in two days on the matter of the Saint-Maurice river pollution. I did some research to find out about the behaviour of the two Liberal Members who were my predecessors during the last 25 years.

To my great stupefaction, Mr. Speaker, and to the shame of my constituents, we have found that in 25 years of Liberal government, not once did these two Liberal Members, Mr. Chrétien and Mr. Grondin, find a way to rise in this House to condemn the pollution and very deteriorated state of the Saint-Maurice river.

It was my pleasure to do so on three occasions in two days. And the constituents in Saint-Maurice wondered why Jean Chrétien did not do that. Why did he not rise in this House during the 20 years he represented us here, why he did not do so? We understood why last year, Mr. Speaker, when Jean Chrétien was elected to the board of Consolidated Bathurst. We are paying the price for 21 years of silence. Jean Chrétien was rewarded for not saying a word in this House and for having let the Saint-Maurice river become one of the most polluted in Canada. Today, Mr. Speaker, pollutants are often spilled in the Saint-Maurice river. Consolidated Bathurst, Belgo Division, has never had any trouble with the federal government.

We now have a new Minister of the Environment (M. Lucien Bouchard), who will not be pushed around. The new Minister of the Environment is not afraid of Consolidated Bathurst. He has said in this House that if Consolidated Bathurst has broken the law, the Federal government will take legal proceedings. During 25 years of silence, never did Jean Chrétien, who was Minister of Finance, who headed about every Department, never did Jean Chrétien, with all his power and influence, dare say such a thing. The citizens of Saint-Maurice sure fixed his wagon along with that of his gang on November 21

last when the Liberal candidate finished third, behind the socialist candidate.

In a by-election held in my riding barely two years ago, Mr. Speaker, the Liberal candidate got 65 percent of the vote. In two years, the Liberal Party in my riding, a so-called Liberal stronghold has fallen to 19 percent. And the next time, Mr. Speaker, he will lose his deposit!

The environment was a major issue during the election campaign. It was therefore conforting to see the Leader of the Opposition (M. Turner), contrary to the New Democrats for whom Québec does not exist as far as pollution is concerned and who remained silent, rise in this House and, although he was a bit mixed up, pronounced for the first time in his life the name of the city of Shawinigan. He has been haunted by the city of Shawiningan for the past four years! He nevertheless rose to ask a question about pollution in the Saint-Maurice River. However, the Leader of the Opposition does not know, Mr. Speaker, that the Saint-Maurice river is under provincial jurisdiction, that Consolidated Bathurst is a provincially chartered corporation. But the fact remains that, although this matter comes under provincial jurisdiction, the Minister of the Environment has looked into the problem, into the whole issue.

[*English*]

Mr. Deputy Speaker: It being 3 p.m. this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 2.56 p.m.

HOUSE OF COMMONS

Monday, April 10, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

EXTRADITION ACT

MEASURE TO AMEND

Mr. Bill Domm (Peterborough) moved for leave to introduce Bill C-209, an Act to amend the Extradition Act (appeal).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Domm: Mr. Speaker, this Bill that I am introducing, seconded by Bob Horner of Mississauga West, is in response to the blatant injustices which exist in Canada today which permit fugitives such as Charles Ng and Joseph Kindler entry into our country to seek haven from foreign authorities, with more legal avenues and opportunities than what is available to a Canadian citizen who is accused of committing a crime here in Canada. To add insult to injury, our Government is spending millions of dollars harbouring these fugitives as they endeavour to escape justice.

The purpose of this Bill, entitled an Act to amend the Extradition Act, will be to streamline the extradition process now in place in Canada by first eliminating the fugitives' right to apply for a writ of habeas corpus and substitute it with a straight appeal before the relevant provincial court of appeal, and second, by removing any appeal to the Supreme Court of Canada. This Bill will limit the number of recourses a fugitive has available to only one level of appeal. This Bill will also provide the Minister of Justice with the option to release the fugitive into the hands of foreign authorities either immediately or wait until the fugitive has been dealt with fully by the Canadian penal system; meaning that fugitives will not have to complete their sentence here in Canada before being extradited.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE AND SUPREME COURT ACT

MEASURE TO AMEND

Mr. Bill Domm (Peterborough): moved for leave to introduce Bill C-210, an Act to amend the Criminal Code and the Supreme Court Act (habeas corpus).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Domm: Mr. Speaker, the purpose of this Bill, also seconded by the Member from Mississauga West (Mr. Horner) entitled an Act to amend the Criminal Code and the Supreme Court Act, will limit the recourses available to a fugitive in this country by amending both the Criminal Code and the Supreme Court Act to remove any possible right to appeal a habeas corpus judgment to either the Provincial Court of Appeal or the Supreme Court of Canada. This Bill will provide the appropriate amendments to ensure that there is only one appeal stage; i.e., the writ of habeas corpus available to a fugitive committed to prison under the Extradition Act before the case is handed over to the Minister of Justice. It is my hope that this Bill will tighten up the extradition process in this country, a process which is weighed down heavily by inadequacies, illustrated most recently by the cases of Charles Ng, Joseph Kindler and many others who have been able to prolong their stay in our country through the costly and timely use of our legal system.

In summary, it eliminates appeal to the Provincial Court of Appeal. It eliminates appeal to the Supreme Court. It leaves the fugitive with only the writ of habeas corpus.

Motion agreed to, Bill read the first time and ordered to be printed.

Introduction of Bills

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-211, an Act to amend the Financial Administration Act (session of Parliament).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Milliken: Mr. Speaker, the purpose of this Bill is to prevent the kind of abuse that we witnessed in the last few months on the part of the Government in the use of Governor General's warrants. The purpose is to amend the Bill for greater clarity to ensure that not just the spirit of the Constitution, but in fact the letter of the law is observed, and that the proposal is to change the law to prevent the issue of the Governor General's warrants from the date of the recall of Parliament until its dissolution to the time of an election. That is the technical effect of the Bill.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

• (1110)

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-212, an Act to amend the Food and Drugs Act (cautionary label on alcoholic beverage containers).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, the purpose of this Bill is to provide a cautionary label on all bottles of liquor, wine, beer and spirits, that would indicate clearly that excessive use of this particular liquor would result in driving impairment.

Also, I believe the label ought to include the ingredients. Many people react negatively to certain ingredients. We require virtually everything else sold in stores to indicate the contents, yet when it comes to liquor we do not expect the same.

Also, we provide a warning on packages of cigarettes. I think that on the most abused drug in society it would be appropriate that labels reflect that same concern.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

COMBINES INVESTIGATION ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-213, an Act to amend the Combines Investigation Act (loss leadering).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to finally put on the books a prohibition against one of the most retrogressive predatory pricing practices, namely loss leadering. Loss leadering is defined as the selling of a product below the cost of production of that product. It has been used to drive out competition in the marketplace and, once the competition has been driven out, the price goes up, forever upward and onward.

My Bill would declare it a predatory pricing practice and prohibit it just as we do other predatory pricing practices.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

LIMITATION OF INTEREST RATES AND FEES IN RELATION TO CREDIT CARD ACCOUNTS

MEASURE TO ENACT

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-214, An Act to provide for the limitation of interest rates and fees in relation to credit card accounts.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, this is another example of rapacious banks and other lending institutions having skyrocketing interest rates on credit cards. For example, the prime rate is now 13.5 per cent and bank credit cards and retail store credit cards are at 20 per cent, 27 per cent and up to 33 per cent interest rates.

We have to reign in these dogs of the marketplace. We will put them on a short leash. My Bill is designed to do

exactly that. I know I am supported by the former chairman of the Finance Committee. We are going to limit that spread of interest rates in which they are gouging consumers with rapacious interest rates.

Motion agreed to, Bill read the second time and ordered to be printed.

* * *

CANADA PENSION PLAN ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C–215, an Act to amend the Canada Pension Plan (survivor's pensions).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, this Bill is designed to eliminate the discriminatory element of the Canada Pension Plan Act as it relates to disability pensions. For example, the Canada Pension Act says that the surviving spouse of a person who has been collecting Canada Pension Plan disability, if 34 years of age or younger, would not be able to collect the surviving benefits. My Bill is designed to remove that discrimination based on age.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C–216, an Act to amend the Canada Elections Act (leave of absence).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to extend the leave of absence provisions respecting a candidate in a federal election. If that candidate is successful, my Bill would ensure that that successful candidate, on application for leave of absence, would get that leave of absence for as long as that person is elected to the House of Commons.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

BANKRUPTCY ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C–217, an Act to amend the Bankruptcy Act (priority of claims).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to correct an anomaly in the Bankruptcy Act in terms of claims. In cases where a company goes bankrupt, the first priority is to the Government of Canada, second, to the banks, and third, whatever is left goes to the employees.

In this Bill I intend to change the priority of claims and put the contributions of employees with respect to their pension plan, wages, holiday pay and salaries as a first priority with everything else second. That is a maximum of $9,000.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

PETITIONS

FOREST RESOURCE MANAGEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure, indeed privilege, to present a petition on behalf of a number of petitioners who are concerned that the forest industry of Canada generates $3 billion annually in tax revenue to provincial and federal Governments and for every dollar the Government collects in taxes from the forest industry, only five cents is reinvested into the forest resource. The petition goes on at some length about the concern regarding the forest resource. Fundamentally, they are calling upon Parliament to develop new national forestry initiatives, promote more effective and sustainable forestry practices and consider the advisability of increasing spending on reforestation and promoting genuine sustained yield management of our forests.

DESIGNATION OF ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am pleased to present to the House today a petition which has been certified by the Clerk of Petitions. This petition is entitled: "Help Save the Rouge Valley". The Rouge Valley System is a unique and precious natural area in Scarborough on the east boundary of Metro Toronto.

• (1120)

This land was land-banked by the provincial Government in the mid-seventies. The present Liberal Government of the province is considering putting a dump or a freeway in the area. The petitioners are outraged with this and believe that protecting this endangered wildlife and wilderness area is indeed in the national interest.

The petitioners are joined by the Mayor of the City of Scarborough, hundreds of volunteers from Save the Rouge Valley System, the Coalition of Scarborough Community Associations and indeed the federal Minister of the Environment (Mr. Bouchard).

The undersigned petitioners humbly pray and call upon Parliament to work with the Government of Ontario to establish the Rouge River Valley System as a Canadian heritage land or a provincial park.

NON-PROFIT AND CO-OP HOUSING

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present a petition under Standing Order 36 signed by several persons from the Ottawa area. They petition the Parliament of Canada to increase government financial commitments to non-profit and co-op housing, recognizing the very serious situation that exists not only locally in Ottawa but throughout Canada with respect to geared-to-income housing and co-op housing.

SITUATION RESPECTING WOMEN IN RURAL AREAS

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present a petition which deals with the concerns of rural communities. Thirty-five per cent of rural Saskatchewan women hold two jobs, one on the farm and one in the community. A Manitoba survey suggested that the average working week of a rural woman consisted of 95 hours, including 54 hours of housework and 23 hours of farm chores.

This petition asks the Government to consider the advisability of ensuring that adequate resources are directed toward the needs of rural women and their families, committing funds to the development of ongoing child care services in all regions, with particular sensitivity to the needs of rural and farm families.

YOUNG OFFENDERS ACT—REQUEST FOR REVIEW

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I rise today to present a petition signed by more than 300 upset citizens from the Township of Shuniah which borders on the City of Thunder Bay. A vicious, fatal beating of a 64-year old Shuniah employee on July 10, 1988, by two youths, their subsequent trial and maximum sentence of only three years in secured custody has eroded the confidence of this community in our system. The citizens of Shuniah, led by Reeve John Clark and by the person who spearheaded the petition, Mary Stahl, thus call upon Parliament to review and change the Young Offenders Act so that sentences can be more proportionate to the gravity of the offence.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Peace River): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

Mr. Speaker: I would ask Hon. Members if we might have consent to revert to the introduction of Private Members' Bills. One was missed.

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Bill Kempling (Burlington) moved for leave to introduce Bill C-218, an Act to amend the Criminal Code (automatic weapons).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

He said: Mr. Speaker, the purpose of this Bill is to amend the Criminal Code to prohibit the importation of automatic weapons and semi-automatic weapons that may be converted into an automatic weapon. We note with concern the views being expressed by police and other law officers, and I hope that this Bill will express those concerns.

Motion agreed to, Bill read the first time and ordered to be printed.

[*Translation*]

POINT OF ORDER

MR. GAUTHIER—SECURITY ON HILL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order. We had an unfortunate incident on Parliament Hill last Friday. The hostage-taking caused some positions to be taken and some reactions to it. Being one of the Members who were here and could see with my own eyes how the forces and House of Commons security reacted, I would like, on behalf of all Members of my party, for the Liberals in any case, and probably on behalf of all other Members too, to say that we were very impressed.

[*English*]

We were very impressed with the way the security staff handled themselves on Friday. I want them to know that we thank them and tell them that we appreciate very much the difficult situation they were in on Friday. We hope that they are each individually given our thanks by the Sergeant at Arms who did an excellent job also.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I, too, rise on behalf of my caucus. We held a caucus meeting this morning, and indeed all the caucus members present wanted to reflect their appreciation for the excellent work done by our security people.

Over the weekend, we heard a great deal of positive reaction and accolades given to the Royal Canadian Mounted Police and the Ottawa Police Force. Those of us who were in the building at the time could only be impressed with the way our security forces went about their work. The initiation of their emergency response plan was first-class. Let us hope that they never have to introduce that emergency response plan again.

[*Translation*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, we in the Conservative Party feel almost the same way. It was a wonderful response.

[*English*]

I was in the Chamber on Friday and I believe that the situation was well handled. The staff of the Whip's office held a staff meeting this morning in which we reviewed the past week. That meeting was adjourned on Friday when we were asked to leave the House, so we carried on with it this morning. At that meeting I learned that the response of staff members throughout the Hill was very positive.

Members' staff and the staff that served the House so well all felt some comfort with the response that came from our security forces. They felt that people knew what they were doing and that it was handled expeditiously and well. I would like to congratulate the Sergeant at Arms and his people for that response and tell them that indeed, all members of this Hill community can take comfort from the response. When faced with a challenge, they rose to it.

Some Hon. Members: Hear, hear!

Mr. Speaker: As Hon. Members know, there will, of course, be a full review of the security procedures which we have in the House and we will try to do that as quickly and as expeditiously as possible.

I thank the Hon. Members very much for what they have just said. The reaction of all our security people was of the highest order and a relationship was established very quickly during the event between our own security forces and the Royal Canadian Mounted Police, a relationship which seems to have worked effectively.

However, after an incident like this, it is, I think, appropriate to review everything that happened. As soon as that review is done by the Sergeant at Arms, it will be presented at the very earliest opportunity to the Board of Internal Economy. If at that time further steps, changes or additions are necessary, of course we will deal with it at that time.

[*Translation*]

I thank all Hon. Members very much for their statements, especially after an event that clearly was very dangerous.

[*English*]

I think we can all be very, very glad that events worked out as well as they did.

GOVERNMENT ORDERS

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Friday, April 7, consideration of the Motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and on the amendment of Mr. Turner (Vancouver Quadra) (page 131) and the sub-amendment of Mr. Riis (page 236).

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I had the honour to be speaking in the House last Friday when some unfortunate incident occurred—that event on Parliament Hill. I will tell you that it was quite impressive. And I would like to join the other Members who have already spoken about the professionalism of the police forces here on the Hill and of the House of Commons security staff.

Mr. Speaker, when we left on Friday, we were talking about a very important aspect of the Speech from the Throne: the priority which this Government has decided to give to the environment. I very briefly referred to the fact that as a Member for that constituency I had the opportunity on three occasions since the House reconvened to rise on the matter of the Saint-Maurice River pollution, while my predecessors, the two Liberal Members who sat here before me for 25 years, namely Messrs Chrétien and Grondin, never found the way even once to rise in this House to condemn the Saint-Maurice River pollution and have corrections made.

I also stated this was quite understandable in the case of Mr. Chrétien, as we realized last year when he rose to Consolidated Bathurst's Board of Directors. This is how Consolidated Bathurst thanked Jean Chrétien for 25 years of silence, 25 years during which they polluted the Saint-Maurice River.

As witness to that pollution among others, Mr. Speaker, we had headlines last week. My constituents and other Canadians perhaps should be reminded that in addition to last week's PCB spill, earlier this year Consolidated Bathurst spilled 750,000 litres of sodium disulfite in the Saint-Maurice River at Shawinigan.

Consolidated Bathurst over the years injected into that river in Shawinigan 20,000 tons of pulp. Admittedly the company has undertaken a degree of clean-up. We reminded the president of Stone Container in Chicago it was essential that clean-up operations be carried out and this summer Consolidated Bathurst will begin removing a significant part of the matter that found its way into the Saint-Maurice River.

What was noticeable in the area last week was how much the whole issue of the environment was directly linked to the Throne Speech and my constituents' perception of this Government's responsibility. Also, the lack of professionalism of the part of the Opposition.

The Leader of the Opposition rose in this House to ask questions that should have been put to the Quebec's National Assembly rather than to the House of Commons. The Leader of the Opposition neglected to ask the one question that came under the Minister of Environment (Mr. Bouchard).

As far as Hon. Members to the extreme left are concerned, the NDP Socialists, they were the shame of New Democratic supporters in my area, Mr. Speaker. They are not listening to my comments, although they could profit from them.

Our socialist Members did not take a single opportunity to ask the Minister of the Environment some intelligent questions about the St. Maurice River and the Consolidated Bathurst spill. This so embarrassed the NDP spokesman in my riding that he felt obliged to hold a press conference to apologize for the Members of the NDP Caucus who did not have time to show an interest in Quebec.

We on the Government side realize that the NDP shows an interest in Québecers once every four years, before election time, and we see the results today here in the House, Mr. Speaker.

Environmental issues will be a priority for Canadians in the years to come. I would like to talk about a specific case. The St. Maurice River in our part of the country is one of the most beautiful waterways in Canada and, if it happened to be located in Europe, would be one of their major, well-known rivers. The St. Maurice is well-known unfortunately, because of the pollution that has accumulated in this river, and today we can no longer enjoy its beauties as we have in the past. People cannot even move freely on the river because of the obsolete practice of floating logs that still continues on this waterway.

However, thanks to this Government's policies and the splendid co-operation that exists with the Government of Quebec, I am positive that someday we will be able to stop the floating of logs in my riding.

Mr. Speaker, there are also some very alarming statistics that should urge this House and, in fact, all Canadians to consider the matter.

In Québec today, 30 metric tons of woodchips are left to rot on the premises of sawmills throughout the province. This is the equivalent of about 510,000 Québec trees felled during the last few years. Every week, Mr. Speaker, another 6,000 tons of chips is dumped on the premises of Quebec's independent sawmills, the equivalent of about 100,000 trees a week which are simply wasted because pulp and paper companies don't want to use the chips that are already available. If we put a value

of $10 on every tree cut on public land in the Province of Quebec, pulp and paper companies are aiding and abetting a weekly loss of $1 million in addition to the $5,100,000 already accumulated at the sawmills. Meanwhile, pulp and paper companies like Consolidated Bathurst keep cutting trees despite the fact that all this stuff is just rotting away. It is time they started recycling.

It would be an effective solution that would not cost the Government a cent, but we must let the public know this is important for the environment.

I would also point out to the House that last week's toxic spill has prompted Environment Canada to schedule for this summer a toxicological and ecological study on the Saint-Maurice River with a view to assessing the impact of dioxin-, furan- and PCB-related pollution resulting from last week's incidents.

In that respect I want to commend the Minister of the Environment (Mr. Bouchard (Lac-Saint-Jean)) who did not hesitate a second to take a series of concrete measures in this case as he did when disaster struck along the Alaskan and Canadian coasts. Whatever Opposition Members may say, Mr. Speaker, we do have a Minister of the Environment who lives up to his responsibilities in all such matters.

In the Speech from the Throne the Government did state that the environment would be its second priority. Time has come for action rather than trying to look for scapegoats. Another Government objective is to refine the policy which is geared to the concept of sustainable development—interdependence between world environement conditions and economic growth requirements. With that in mind our Government has established the National Round Table on the Environment and the Economy which most quarters welcomed as a constructive step to undo the harm of 20 years of Liberal administration when environmental issues were never raised in this House in spite of the many urgings by the then Opposition to the Liberal Government.

My constituents are also deeply concerned about the deficit. In the mail I receive and in weekend conversations I have with the residents of the Saint-Maurice ridings people never fail to refer to the days when Jean Chrétien was Minister of Finance and spent public funds as if money was going out of style. So today, unfortunately, as the Government we Conservatives have to re-assess the whole problem. We have to pick up the broken pieces. In the forthcoming budget the Government will make sure that Canadians eventually have again ready access to the kind of social services they deserve.

• (1130)

[*English*]

Interest rates rise when the Government borrows too much. Everyone is aware of that except Members on the Opposition side. The more money the Government borrows, the higher the interest rate for everybody. As a result, it becomes more expensive to invest in new machines and to build new homes and factories. Money spent paying interest on the debt cannot be used for social programs. It is becoming harder to find money for new programs. Our social programs could suffer if we do not work now to lower the deficit. Since its election in September 1984, our Government has lowered the deficit in a slow but steady way. More needs to be done. The amount of money borrowed to pay for the deficit debt is still growing. As a result, interest costs are still rising too fast. Federal government borrowing is still putting too much pressure on interest rates. The deficit is falling because spending is being held down while the economy has been growing. Approximately 1.5 million people have found jobs. More businesses are making profits. Therefore, income from taxes has climbed at a faster rate than spending. The economy has been doing well in this country, and we must thank the Government for that. The Government's policy has been working.

• (1140)

Lowering the deficit is an important part of that policy. Investment in new factories and equipment is at a record level.

[*Translation*]

Mr. Speaker, in my riding, over the 20 years that the Liberal Party was in power and Jean Chrétien was our Member of Parliament, we lost 12,000 manufacturing jobs. What a shame for the riding of Saint-Maurice! Over those 20 years, we saw the population of the towns in my riding drop dramatically. When Mr. Chrétien was Minister of Finance in this House, the unemployment rate in my riding was 22 per cent, Mr. Speaker. It was a tragedy for our riding, which has lost a third of its population over the last 30 years.

During one week in 1983, three big companies—Gulf Canada, CIL and Dupont of Canada—announced that they were closing their factories in Shawinigan, all in the same week. During that week, Jean Chrétien was in this House and nothing was done by the Liberal Government of the time to correct the mistakes that had been made! No special plan to reorient local industry was developed. Over the past four years, this Government has corrected those mistakes and is now preparing to do even more. Although that Hon. Member who represented my riding for 20 years was more interested by issues other than his

constituents' future, our Government has undertaken to make the necessary changes. I shall give just one example. This year, Mr. Speaker, we will open the most modern textile dyeing mill in North America, because the people in our riding, unlike those in the Opposition, said when the time came that they would get ready to face free trade the right way—with action. As for investors, Perfecta Dyeing has invested $7 million in the most modern textile plant in North America, with some substantial assistance from this Government. Thanks to the Free Trade Agreement, we will be able to take on the American textile market much more vigorously.

Where I come from, that is what we did and what we will continue to do over the coming years, Mr. Speaker.

I would like to refer to other projects. Last week there was a lot of talk about Consolidated Bathurst and their environment control problems. Company management are not blameless but they do have a positive approach in that field and we will encourage them to pursue their efforts along those lines. Consolidated Bathurst will invest $225 million in their Grand-Mère mill and a sizeable amount in their Shawinigan mill.

Mr. Speaker, we will be keeping a close watch on all the company investments to ensure that these projects protect the environment, that eventually the residents of the riding of Saint-Maurice may enjoy their river as it used to be, and that the Saint-Maurice River region become a first-class tourist attraction. The people of my riding know that the action of this Government concerning environmental issues will pave the way for a second economic upsurge in my region, yet they cannot forget the depression they experienced under the Liberals' 20-year régime.

Mr. Speaker, imagine for a moment a riding like Saint-Maurice which 58,000 people call home and which saw 12,000 manufacturing jobs vanish over the 20 years Jean Chrétien was in office. Few and far between are ridings in this country which lived through such a depression, yet now this same individual has begun to speak in various communities throughout the country—behind the back of the Leader of the Opposition—intent on keeping Canadians heavily indebted and arguing that deficits are not important.

Well, Mr. Speaker, if Liberal Members in this House do not see to it that Jean Chrétien remain in the private sector, we on this side of the House will do it for them at the next election.

Mr. Speaker, I would also like to point out for the benefit of this House how utterly dishonest the New Democratic Party were during the last election in my constituency. The defeated NPD candidate crisscrossed the constituency promising the erection of 22 senior citizen community centres, although this is under provincial and municipal jurisdiction. Gentlemen to my extreme left, this is the reason why your candidate is not sitting with you in this House today, and this is the reason why for the first time in 97 years my constituency elected a progressive conservative member.

Thank you, Mr. Speaker, for recognizing me this morning; I will have other opportunities over the coming weeks to return to this matter, because the House of Commons in my view is the natural forum for this kind of debate.

[*English*]

Mr. Riis: I listened with interest to the comments of my colleague, the Hon. Member for Saint-Maurice (Mr. Pronovost). He injected a bit of politics into the House of Commons. We are all aghast at that, Mr. Speaker.

My hon. friend indicated a concern about the environment and the fact that his Government has taken some initiatives. He failed to mention that one of the major initiatives taken by the Government was to cut programs for conservation and the development of alternate energy. Over the years, those programs have been gutted. The Hon. Member failed to mention that. I simply raise it for his information.

The Hon. Member also referred to the debt of the country. Under the Conservative Government the debt has increased almost 100 per cent. When the Conservatives took office the debt was $170 billion. Today it is in excess of $320 billion. On top of that, the Government plans to go ahead and purchase a very expensive fleet of nuclear-powered submarines. The Hon. Member for Saint-Maurice failed to indicate whether he supported the massive funding for nuclear-powered Hunter attack submarines. Perhaps in his response he will take the opportunity to indicate his position.

The Hon. Member also mentioned plant closures. I believe that we will have to get used to that fact, Mr. Speaker, now that we have signed the trade deal.

Over the past number of years the Province of Quebec has dumped an awful lot of its raw municipal sewage, both from industrial sewage and domestic sewage, directly into our water systems. Literally, hundreds of communities have been flushing toilets directly into the St. Lawrence River. This has been happening not only in Quebec, but I refer to Quebec because of the Hon. Member's constituency.

One of the ways to deal with that situation would be to introduce a municipal infrastructure program where the federal Government would participate with provincial Governments, which would participate with the local Government in one-third, one-third, and one-third funding in order to allow the local municipality to develop the proper sewage treatment facilities and the proper sewage and water infrastructure.

It is interesting to note that every single city and every single province in Canada agrees to participate in this funding co-operative. The only hold-out is the federal Government. The New Democratic Party has stated that it is in favour of supporting that type of positive initiative, as has the Official Opposition. Only the Conservatives have said that they are not interested in participating.

Every city, every province, and two out of the three political Parties in Canada believe in cleaning up our environment through the use of municipal infrastructure funding from the federal Government in co-operation with provincial and local Governments. How does the Hon. Member feel about that initiative? Would he take steps to encourage the Minister of Finance (Mr. Wilson) to introduce that in the upcoming Budget on April 27?

[*Translation*]

Mr. Pronovost: Mr. Speaker, I thank the Hon. Member for his numerous questions. I would like to point out to the House however that if the Hon. Member's comments are any indication, clearly that New Democratic Member did not invent the calculator. Looking at what he said on the accumulated deficit in particular, I think everyone can see the deficit accumulated mainly when my predecessor Mr. Chrétien and the Leader of the Opposition were ministers of Finance cannot disappear in a matter of months. I think that is quite clear. This is why I would invite the Hon. New Democratic Member to take his calculator one more time and figure that out. Because if by any chance we could have made that deficit disappear within one year, immediately the Hon. Member would have risen in this House.

He always did anyway. He always rose every time this Government took important steps in a serious, competent, professional way to reduce the deficit over these last four years; that Hon. Member and his Party always advocated increasing the national deficit. It was never serious. Just like during the good old Créditiste days! And for that matter, I am reminded by many Western members of some Créditiste members who used to sit here and suggested we should print dollars with a dollar machine. In some way what some New Democratic Members are advocating is a modern version of the Social Credit we used to have in Québec. Let us print dollars, Mr. Speaker, let us have a deficit! Not to worry, the debt will be paid back later on. Except that right now, nearly one-third of the national debt must be taken from taxes Canadian men and women are now paying, and we will no have no more leeway to pay it back further down the road because of the kind of mismanagement that has been going on for so many years, even though we would be glad if we could give social programs everything we would like to.

This is why this Government at this point in time, just as it has been these last four years, is committed to solve the mismanagement problems that arose during those previous years. Concerning the environment in this House, Mr. Speaker, as I said you only have to look at the kind of comments that were made last week. The Hon. Member for the New Democratic Party rises today to address the problems of pollution in Québec, but last week, when we had a specific problem, no one in his caucus had a sensible question for the Minister of the Environment (Mr. Lucien Bouchard). No one in the NDP caucus, which shows an interest in Québec every four years, bothered to rise in the House and address this particular issue.

Before the election, as I sat and watched the proceedings, the NDP Members all made a point of rising in the House and speaking French, and I congratulate those who did. But since November 21, Mr. Speaker, lo and behold, most Members of the New Democratic Party have forgotten their French, except perhaps for the Leader of the NDP (Mr. Broadbent).

The NDP, which shows its concern for Québec once every four years, has never been able to win a single seat in the province. And until the NDP learns its lesson. . .

• (1150)

[*English*]

Mr. Riis: Mr. Speaker, I realize that the Hon. Member is a new Member of the House. I wonder if he would not think twice about condemning Members of Parliament for not being proficient in the other language of our country? I want to say that many of our Members are working hard to become proficient in the French language. We are proud of that initiative, Mr. Speaker, and that effort. I do not think it adds to the House of Commons when one Member criticises another Member of Parliament for not speaking in one language or another.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Pronovost: Mr. Speaker, I would like to remind the House that most Members understood what I meant. Before November 21 they did speak French, and now, after November 21, they don't speak French any more on the NDP side. Canadians listening to us today understood perfectly what I meant, even Canadians in NDP ridings.

Mr. Speaker, the Hon. Member for the NDP was upset when he realized, four months after the election, that his caucus no longer spoke French here in the House. Mr. Speaker, they are very upset.

However, the people in the Opposition may still be frustrated about the results of the election on November 21, but we are taking concrete steps every day to help Canadians clean up the environment in this country.

We have taken steps and we will take more, and Canadians don't need the Opposition's negative comments, an Opposition that today, especially in the ranks of the socialists, is unable to come forward with concrete alternatives when criticizing the Government's policies.

So far, Mr. Speaker, all the initiatives on environmental matters have been taken on this side of the House, and for that very reason I am proud to be part of this Government.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired. The Hon. Member for New-Westminster—Burnaby (Ms. Black).

[*English*]

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it is an honour for me to rise today to address this House in response to the Throne Speech given by the Governor General last week. The Prime Minister (Mr. Mulroney) showed his contempt for the Constitution of Canada by saying that he did not think it was worth the paper it was written on. Well, I would like to say that his comment would apply better to the Throne Speech and the comments that were not made on the issue of equality of women.

I have received many letters, Mr. Speaker, from groups and individuals concerning the Government's funding of anti-equality groups. How should they view the assurance of a commitment to equality in the Throne Speech in light of funding to a group which opposes women's inclusion in the Charter of Rights and Freedoms?

A recent article in *Saturday Night* quoted some Tory Members of Parliament on the subject of women's rights. I do not know if these Members actually said these things, but if they did, it does show an appalling lack of appreciation for what the women who have gone before us have done and for what was accomplished by the women who are struggling.

I speak of women like Agnes MacPhail, who was the first woman Member of Parliament and a member of the Co-operative Commonwealth Federation who overcame incredible barriers to sit in this Chamber. I speak of the women of Canada who struggled long and hard to win the right to vote for the women of Canada, and I speak of the women today who staff shelters for battered women, the rape crisis centres, women who are still fighting and winning in the courts, women who are attempting to change policy and build a future where our children can live in peace with our world neighbours, each participating as full and equal citizens.

These women working together in groups to provide services and to promote positive change are the women who deserve support from the Government, not groups who are trying to turn back the clock.

Yet another example of the Government's failure to live up to its pretty words about equality is in the area of language training for immigrant women. During the election campaign, the Government threw some money at language training, but continued to refuse to remove the discrimination against immigrant women inherent in government language training programs. Government policy still makes it very difficult for many immigrant women to learn an official language of Canada and escape their job ghettos, as they are not eligible for the same training allowances as most immigrant men.

I was pleased to see in the Throne Speech, Mr. Speaker, that the Government is now prepared to bring its unemployment insurance program in line with the Charter of Rights and Freedoms. I hope that this means that natural fathers will now have the same parental leave benefits under the UI program as do adoptive fathers. I sincerely hope that it does not mean that all adoptive benefits will be taken away. This Government has deliberately imposed inequality on young Canadian families by putting the onus on natural mothers to take care of infants.

In the Throne Speech, the Government promised to amend the unemployment insurance program to supposedly improve the program's fairness. Everyone who has suffered from this Government's idea of fairness has taken this to mean, especially in light of deficit reduction, cuts to the UI program.

The Minister of Employment and Immigration (Mrs. MacDougall) said that those who need UI benefits would continue to receive them. There are already many who need UI benefits who are not currently receiving them.

I received a letter from a woman in British Columbia who was experiencing a very difficult pregnancy. Her work involved standing at a cash register all day, and this contributed to heavy bleeding. She qualified for UI medical benefits for a time while she was going through this experience, but when the time came for her to then collect on maternity benefits, she discovered that she was ineligible for benefits because of medical benefits. Is this the fairness the Government is talking about?

• (1200)

Max Yalden, the Chief Commissioner of the Canadian Human Rights Commission, stated last week that women and visible minorities in the Public Service fare worse than in the labour force at large. I am pleased to see that the Government is finally recognising its failure in this area. It mentioned the task force on barriers to the employment and promotion of women in the Public Service. The issue of workplace discrimination against women and minorities is already well documented. It has been studied to death.

Women have been telling the Government for the past decade how totally unfair the Government is as an employer. We have already seen Nicole Morgan's excellent report on women in the Public Service to attest to this fact. I have a prime example of the Government's commitment to women in the Public Service. There is not one word in the Throne Speech about enforcing the Government's own employment equity targets or legislation. As well, in the area of pay equity in federal jurisdiction, employers are not required to prepare pay equity plans. This leaves it up to the individual to research his or her own discriminatory situation and make a complaint on their own to the Human Rights Commission. There must be enforcement.

All of this means that the Government has no commitment to equality, except on paper. The idea that I would like to convey is that if the Prime Minister (Mr. Mulroney) has a commitment to equality, let us see him enforce his own legislation.

Mr. Yalden also speaks of major delays in the Public Service pay equity study. This study has not produced any results in four years. I quote the Human Rights Commission Report:

> Administrative delay and bureaucratic infighting remain more the hallmark of the program thus far than any genuine move toward pay equity. Either Government means business on equal pay or it does not.

I suggest that it does not.

The Throne Speech did contain one sentence about the Government remaining committed to a national child care program. How can the Government remain committed to such a program when it was never committed to a truly national program with national standards in the first place?

The one sentence in the Throne Speech about child care seems to mean that the Government remains committed to an inadequate piece of legislation. Child care advocates unanimously denounced this legislation. The Prime Minister's commitment to child care was so great that he refused to wait just a few short hours before the Senate passed the Bill before calling the general election. His commitment was so great that he stated on national television that he did not need to consult with child advocacy groups. Now I am very much afraid that with the Government's fetish about deficit reduction, it will be the children of Canada who suffer from deficit reduction.

I want to commend the Government on its annoucement of a royal commission on new reproductive technologies. As you may know, this is a New Democratic Party policy and, as such, New Democrats have been calling for a royal commission for many years. It only goes to show, as others have said, that New Democrats have a policy that is worth stealing.

A royal commission is necessary. It is very necessary in order to gather information on how new reproductive technologies will affect our family structures, to determine the legal status of surrogacy contracts and of children who now have two biological mothers.

We need to think about what regulations are necessary to prevent the commercialisation of women's reproductive capacities so that poor women are never in the future used as baby factories. We need a royal commission that is impartial.

I have some concerns about the royal commission, however. These new reproductive technologies have been developed and administered overwhelmingly by men. It is important that at least 50 per cent of this royal commission be made up of women and for all of its members to be aware of women's equality issues. The mandate should include specific consideration of women's reproductive health and women's rights. Since the New Democratic Party policy on a royal commission was used, I hope the Government will also use the caring philosophy behind that policy.

I also would like an assurance from the Government that this royal commission will be given a mandate to travel across the country and receive input from women's groups and women involved in the process, as well as the medical and legal experts from all regions of Canada.

The Government has side-stepped the issue of abortion again. The Throne Speech contains only a vague reference to abortion, but absolutely nothing about the prevention of unwanted pregnancy, which is surely the real key to reducing the number of abortions in Canada.

Within the past four years the Government has cut the funding to Planned Parenthood by $61,000. The Government is now talking about cuts to the Unemployment Insurance Program, which comprises maternity leave, and economically harsh measures to cut the deficit, which will make it even harder for young mothers to survive economically.

I share the concern of my hon. friends who have spoken to the Throne Speech on the question of the universality of programs. The Government has already short-changed mothers and poor families by deindexing family allowance. I hope no other step-by-step destruction of the Family Allowance Program is planned. The Throne Speech seems to be rather vague on this matter.

In my riding we have two food banks that have been running for a number of years. We also have children who go to school hungry. That is the reality of poverty. It strikes young children. It strikes senior citizens attempting to get by on very limited pensions. It strikes young families who are caught in a never ending struggle against a never ending cycle of poverty.

The spectre of homelessness is no longer unique to other parts of the world. It has arrived on our doorstep. It is our reality in Canada.

I am seriously worried that the Government has closed its eyes to the reality of Canadian life. I am worried that the attack on universality is an attempt to demean those who most need this economic security.

The Government has blatantly neglected the needs of many Canadians by failing to address the rapid acceleration of interest rates.

This lack of concern has meant that the worsening central interest rate policy is now at a critical stage. Arbitrarily designed to cool inflation in the hot southern Ontario economy, this policy is strangling development in every other region.

Why has the federal Government failed to listen to the Canadian Premiers who have called for moderation in interest rates? Why has the federal Government turned its back on the small business person in my home province of British Columbia, which, while wishing to expand or begin a business venture, cannot afford to borrow the money to do so?

Why has the Government turned away from the young family faced with skyrocketing mortgage rates for its first home because housing prices in Toronto are out of control?

If the Federal Government were truly interested in deficit control, it would realize that high interest rates contribute to the worsening of the deficit. It knows that its own Department of Finance figures state that a 1 per cent increase in interest rates per year adds $1.5 billion to the annual deficit. Instead, the Government seems to have chosen to strike out against those who most need the help.

It will slash the Unemployment Insurance Program at a time when cut-backs and lack of job development have meant that productive Canadians, who want to work, instead must rely on unemployment insurance or welfare benefits.

The Government will introduce what is perhaps the harshest, most regressive tax in recent history, a national sales tax, which will hit hardest at low and middle income Canadians, a tax which is nothing if not inflationary.

Women make up the majority of the poor in this country. Women make up a majority of the elderly. One out of every two unattached elderly women in Canada is living below the poverty line. The Government first tried to deindex their pensions and now in the Throne Speech has announced its intention to take away even more money from these poor women through regressive sales tax. Many low-income people do not file income tax returns. They will never see this sales tax money again, and they certainly will not see it in the form of social programs after government cut-backs.

• (1210)

The incidence of low income in my riding is 23 per cent. Almost one quarter of my constituents will be extremely hard hit by this Tory tax measure. Why does the Government not tax the 60,000 profitable corporations that do not pay any tax rather than taxing the families of Canada into poverty?

In a rather wonderous turn of cheek, the Government has suddenly seen the environmental imperative. Canadians may be excused for approaching this pronouncement with a tinge of cynicism, cynicism which would be unwarranted had we not seen massive eliminations within the federal environmental programs just a few short years ago, had we not known that this is a Government which has no national vision of the needs of Canadians. I would suspect that someone saw a poll which said that the environment was of concern to Canadians and suddenly the Government is talking about it.

As a Member of Parliament from British Columbia, I have several concerns over the present condition of future plans for the Fraser River. One third of my province is considered to be a part of the Fraser River watershed. It has played an integral part in our province's economic and social development. It is one of the largest salmon streams on the West Coast and it remains a vastly important component of my constituency of New Westminster—Burnaby.

Such a critical system can no longer be taken for granted. The reality today is that the Fraser River is seriously polluted. Emissions from pulp and paper mills, effluent from upstream communities and erosion from decimated forests have endangered the Fraser River. It is time to develop a multi-faceted approach to this situation. We must work together to see that toxins are stopped at source. The need for reforestation is immediate. Closer monitoring and strong penalties must be enforced for those who continue to discharge pollutants. Now as at no other time in our history, it is the time for commitment to the environment. I join with other Canadians in saying that the Tory record is just not strong enough in this regard.

There is talk in the Throne Speech of a caring and a compassionate society. The Government is offering a spot of compassion to the homeless people rather than shelter and food. It is offering a few minutes of compassion to women rather than concrete measures to promote equality. It is offering compassion for the dead birds of the B.C. coast rather than any sort of effective action to prevent environmental disasters. In the future Canadians want a great deal more from this Government.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, I recognize the Hon. Member for Terrebonne (Mr. Robitaille).

[*Translation*]

M. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, it is an honour for me to speak in this House as the elected representative of the riding of Terrebonne and on behalf of its citizens.

I would like to thank the people of my riding for having put their trust in me on November 21 last in a resounding way, with a majority of close to 23,000 votes.

Mr. Speaker, my intention is to be up to the task and that is why I am speaking today in this House.

The riding of Terrebonne is located on Montreal's North Shore. The Mille-Isles River from east to west and the Saint-Lawrence River runs along its eastern tip.

Cousisting mainly of the regional municipalities of L'Assomption and des Moulins, Terrebonne is the most densely populated riding in Québec. With 92,000 voters and close to 125,000 people, it is the fourth largest in Canada.

Its inhabitants are mainly young people, young families, couples with one, two or three children, with both parents on the labour market taking an active part in the life of their family and their community. For these people, a promising future still means a lot.

Mr. Speaker, the future also means a lot for our parents, our senior citizens. Fond of our traditional values, having helped to build this great country, they are entitled to a secure retirement. They are entitled to it and they deserve it, Mr. Speaker. You will understand the anger they felt when they realized that that security may have been jeopardized by the irresponsible borrowing, the thoughtlessness and the total lack of vision of the former Liberal government which had deceived them. Let us make no mistake, Mr. Speaker, the national debt was not created by our government. We unfortunately inherited it in 1984 along with many other unpleasant surprises.

Although I recognize that recalling these facts will not help in any way to put things straight, it can be useful to do so if only to show these people that we are firmly committed not to repeat these errors, despite the futile criticisms of the Liberal and New Democratic opposition and their desperate efforts to bring back a system which nobody wants except maybe those who had the privilege to be associated with them.

My riding, as I have said earlier, is made up of two major regions where the extraordinary and "dynamic" development reflect this will to succeed and to excel, this openness and this determination to take up the many challenges awaiting us in the next century.

The people I represent, like other Canadians, are aware of the many problems facing us, but they are ready to tackle them. I too am aware of these problems, and like them I am confident that we have the capacity, the imagination and the intelligence to overcome them. Some might feel I am overly optimistic, but the truth is that I have confidence as a Canadian, our most precious natural resource, namely self-confidence.

What the people want, Mr. Speaker, is a responsible government, a government which gives them the facts instead of constantly trying to sweeten the pill for political or partisan considerations, a government which takes its responsibilities, which trusts Canadians and respects their maturity.

That is why Canadians elected us and why they did not elect you. The canadian people want the truth, and the Throne Speech gives an accurate picture of the current situation in this country and a clear indication of the Government's intentions and its firm resolve to act responsibly where others have failed to do so.

Since 1984, Canada's economic performance has outpaced virtually all of the world's major industrialized nations. Revenues increased considerably, and the number of jobs rose steadily to a total of $1.3 million between 1984 and 1988. The annual deficit has declined by approximately $10 billion. Our challenge is to maintain that expansion in a world economic environment that is increasingly subject to inflationary pressures. Our worst problem is not the annual deficit but the enormous cumulative debt we have acquired over the last 20 years.

Despite the Government's efforts since 1984, the interest on our present debt costs Canadians 31 cents of every tax dollar. That is a lot! Where will it all end, Mr. Speaker, if we do not take appropriate action? Forty cents, fifty cents of every dollar? No, Mr. Speaker. The answer is simple: Either we start paying today or we suffer tomorrow and send the bill to our children. We will not leave them that kind of legacy. Never, Mr. Speaker!

• (1220)

Like most Canadians, we cannot afford to bury our heads in the sand. During the next four years we will have to deal with the need to reduce the deficit while taking new initiatives. However, our work in the economic sector goes beyond reducing the deficit. The current federal sales tax is inefficient, inequitable and obsolete, and is costing us jobs. The present system favours imports at the expense of our exports and will make Canada lose nearly $8 billion in economic spinoffs and economic activity in this country. Our two opposition parties are well aware of this. We will replace the present sales tax with a fairer sales tax that will ensure the Canadian economy is fully competitive and that will maintain a stable source of revenues to finance social programs.

However, Mr. Speaker, to me the most important measure in this Throne Speech is the decision to develop the skills of Canadians. It means we will adopt a comprehensive human resource strategy for the 1990s,

which will include literacy, education, training and re-training programs. Like the people in my riding, Canadians don't want to spend years on unemployment insurance. They don't want charity. They want to earn an honest living, with dignity. They want good jobs. They want to acquire the skills they need to get those jobs.

Our objective will be to make the Unemployment Insurance Program fairer and more effective by directing more resources toward active training, to help people find other jobs or simply better jobs, instead of paying them for doing nothing.

By maintaining our efforts to reduce the deficit and bring down inflation and interest rates, and especially to guarantee the continued existence of our social programs; through the reform of federal sales tax; with a sustained commitment to multilateral negotiations; through investment in new technology; by continuing our approach to regional development; by updating our trade legislation; through further privatization; and with a human resource strategy for the 1990s, we will be able to build a stronger and more competitive economy. To sum up, an economy that leads to the kind of jobs and prosperity needed to sustain our quality of life, the quality of life of every Canadian man and woman. This is what the people want. This is what we have been elected for, and this is what we are going to achieve, Mr. Speaker.

As I said earlier, the eastern part of my constituency borders on the great St. Lawrence River. Furthermore, two important rivers, the Mille Isles and the Assomption flow through my constituency. River pollution and environment problems are a daily fact of life in my constituency. I need not tell you, Mr. Speaker, that this is of real concern to my constituents. Just like them, I am very much aware of the actions and intentions put forward by this Government in the Throne Speech.

I must add that the steps taken over these last four years by this Government, as well as the $110-million clean-up plan for the St. Lawrence River, have met with very much satisfaction in my constituency.

The environment priority in the Throne Speech points to our concern for and commitment to the quality of the environment for every Canadian man and woman.

During the past year, the people understood that the world as a whole must face an environment challenge of unprecedented scale. We need not look for scape-goats, nor should we make this a near partisan issue. The time has come for action. This Government's goal is to develop policies based on the concept of viable development, which meaning the interconnection between States, the global environment and the need for economic growth.

In that area, thanks to this Government's action, Canada on October 17, 1988 was complimented for its exemplary role in connection with the global environment. Dr. Noel Brown, from the United Nations Environment Protection Program, stated before the Association for the Control of Air Pollution, an international group composed of hundreds of members, that Canada set an example for nations around the world to follow in the area of environmental protection, and to quote Dr. Brown:

> If a Nobel Prize were created for analyzing the complexities of sustainable development, that is, making economic decisions that respect the environment, Canada would be one of the candidates.

I believe that we should be proud of such comments that prove beyond any doubt that our actions and policies are sound and appropriate, and they encourage us to continue in the same direction.

With this in mind, the Government will participate in the establishment of a centre for the international promotion of sustainable development, to be located in Winnipeg.

Still along the same lines, it is important to mention as well that very recently, the Minister of the Environment (Mr. Bouchard) was given new responsibilities in order that environmental considerations would be fully integrated into the overall decision-making process.

Environmental protection depends not only on the Government, but on every one of us. That is why we will try to make all citizens more aware of environmental problems. An environmental partnership fund will be created and the manufacture and use of environmentally friendly products, as well as promotion and recycling programs, will be encouraged.

Mr. Speaker, let me now point out the remarkable work of two environmental organizations that started in my riding, namely the *A court d'eau* Movement and the Quebec Environment Foundation. Its founding president, Louis-Paul Allard, and one of its most active members, Arthur Dubé, are doing outstanding work and making a most positive contribution to the environmental cause. We must work in partnership with these people who are devoting a large part of their life, Mr. Speaker, to their fellow citizens' welfare.

Environmental protection does not only involve reducing the harmful effects of pollution. It also creates economic opportunities.

We shall therefore encourage the growth of the Canadian environmental industry and research and development, not only to find solutions to our environmental problems, but also to find export markets for equipment, goods and know-how.

So continued government efforts for environmental protection, increased citizen participation and support for our environmental industry are the three key elements of a comprehensive environmental protection strategy.

Mr. Speaker, I know that I do not have much time left to conclude my speech. I would have a lot to say because the Speech from the Throne says a lot about it: there are many commitments in the Speech from the Throne.

Mr. Speaker, I conclude my remarks by saying quite simply to the House that the speech from the Throne fully meets the expectations of my constituents and of all Canadian men and women.

For all these reasons, Mr. Speaker. . . and of course we could talk about a number of other issues such as the ratification of the Meech Lake Agreement and the national day care program which is so important to the people of my riding. Unfortunately it was put on the back burner because of the uncompromising attitude of Liberal senators just before the elections. They did not feel like endorsing that project, and many others indeed. The Senate has to be the undemocratically elected House. . .

Mr. Speaker, the contents of the Throne from the Speech meet the expectations of my constituents. For all these reasons and to ensure prosperity for all Canadians, Mr. Speaker, I intend to support the motion concerning the Address in reply to the Speech from the Throne moved by my colleague the Hon. Member for Calgary Southeast (Mr. Richardson) and seconded by the Hon. Member for Bourassa (Mrs. Gibeau).

Mr. Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Hull—Aylmer (Mr. Rocheleau).

Mr. Rocheleau: Mr. Speaker, I listened closely to some of the remarks of our colleague the Hon. Member for Terrebonne and, like him, I am very much concerned about Canada's current deficit. Still I would point out to our Conservative colleague that his Government has been in office here in Ottawa since 1984 and that in that time the Canadian debt has doubled.

Mr. Speaker, I am also quite concerned over the fact that 30 cents of each dollar have to be set aside to service the debt. I appreciate that the Government has to find concrete solutions to reduce the Canadian debt and cut down the deficit, but it has to do so in such a way that inflation will not soar to the higher levels we had in the past.

Mr. Speaker, there is a question I should like to ask my colleague from Terrebonne. We have been told that the Government will implement a new sales tax to replace the existing provincial sales tax. I would ask my colleague whether discussions are being held with the various provinces about this new tax. As you would know, Mr. Speaker, several Canadian provinces do not have a sales tax, while the taxes levied by others vary widely from one jurisdiction to the next.

I wish to know whether the Federal Government intends to implement this new sales tax, what impact it will have on inflation on the one hand, and the current interest rates on the other. Knowing what influence interest rates have on Canada's debt, Mr. Speaker, I do not think that in the present circumstances and in view of all the Canadian provinces request to bring down the interest rates, the Government is moving in the right direction.

Mr. Robitaille: Mr. Speaker, I appreciate the Hon. Member's comment and his question which I am pleased to address.

As to the deficit, Mr. Speaker, let me recall some simple figures. In 1980–81, you had a deficit of $13.522 billion which had increased to $38.324 billion by 1984–85. The national debt which was at $18.523 billion in 1970–71 under a previous Liberal Government had increased to $199 billion by 1984–85, to a projected $293.351 billion in 1987–88.

Mr. Speaker, it is clear that when we were elected in 1984, we inherited an annual deficit of some $38 billion. Even if we managed to reduce the deficit by $10 billion, it is clear that there still remains a deficit of $28 billion per year, and the Hon. Member will understand that a deficit is something that accumulates, and it did continue to accumulate even during the past four years.

On the other hand, I could have understood if the Hon. Member had asked me the following question: How is it that our national debt was not higher over the past four years? It would have been higher if we had not taken appropriate measures.

Concerning the sales tax reform, the Hon. Member seems to ask whether we intend to carry out a sales tax reform. I think he is about the only one who is not yet aware of that. We have been talking about it for quite some time now and almost everybody knows it.

Even certain financial critics of the Liberal Party and the New Democratic Party recognized before the election that our Federal sales tax scheme was somewhat archaic and inadequate.

As to whether there are negotiations, again I am surprised that the Hon. Member who once was a Member of the Quebec National Assembly is not aware that; yes, there are negotiations going on with the provinces.

The purpose of these negotiations. . . you will understand that I am just a Member of this House, I am not the Minister of Finance and I am not involved in these negotiations. Yet, I can tell the Hon. Member this: I trust that we will be able to co-operate with the provinces and develop a tax system which is more equitable and does not overburden the Canadian economy.

• (1230)

[*English*]

Mr. Whittaker: I listened with interest to the discussion of the Hon. Member regarding seniors and their entitlement to a good pension, to safety, and to security.

In speaking to seniors over the last few years I note that since 1985 there has been some apprehension regarding the Government and its attitude toward seniors and the security the Hon. Member spoke of that seniors are seeking. In particular, there are insecure feelings among seniors that the Government is not doing what it should to ensure that seniors can live with that security and that they have adequate pensions in order that they can live above the poverty level. There are inadequate pension provisions for those seniors who have not worked for a wage, but who have worked as homemakers.

Will the Hon. Member encourage his Government to work toward ensuring that the homemaking spouse is provided with a pension at least equal to that of the wage-earning spouse?

[*Translation*]

Mr. Robitaille: Mr. Speaker, I thank the Hon. Member for his question. Concerning our senior citizens, I should like to remind him, when he referred to their insecurity, that his Party and the Liberal Party did not hesitate during the last election campaign to alarm our senior citizens and foster insecurity. They are themselves the creators of insecurity!

Mr. Speaker, I should add simply that this sort of insecurity being felt by senior citizens is the result of the indifference, the deficit and the poor administration of a Liberal Government which over 20 years jeopardized our senior citizens' programs and security. I will urge my Government to take the necessary steps to counteract the dire effects of a deficit, a national debt which definitely endangers our social programs, namely those for senior citizens.

[*English*]

Mr. Comuzzi: On several occasions the Hon. Member for Terrebonne (Mr Robitaille) has stated that the Department of Finance was going to replace the present sales tax system with a fairer sales tax system. I know of no sales tax system that is fair. It has always been my understanding that a sales tax system is regressive. It affects those people who can least afford to pay. The aged are affected by a sales tax system, as are young families with children. Information comes to us that non-prescribed drugs and denture work will be affected by the new sales tax system. Therefore, it really is a regressive sales tax system.

Does the Hon. Member anticipate that this fairer sales tax system that he talks about will affect those very people whom we, as Members of Parliament, are supposed to be protecting? Second, I would like to question his arithmetic. He has some confusion with respect to what a debt is, and what the deficit is. It is my understanding that the deficit is that which we do not collect during the course of the year, and the accumulated deficits make up the debt of this country. It seems that he is blaming the former Government for the accumulated debt. He seems to forget that four years ago, when the present Government took office, the debt of this country was $150 billion and today it is $322 billion.

• (1240)

Mr. Speaker: I have to say that the Hon. Member's time has expired. If I have unanimous consent, I will give the Hon. Member a minute to answer the question. Do I have unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Robitaille: Mr. Speaker, I shall be brief. I thank the Hon. Member for his comments. When he refers to a sales tax reform, it is clear that the Hon. Member and his Party played the prophets of doom and gloom by prematurely announcing to the public that medicine and food would be taxed, when we have just indicated that the sales tax reform is being negotiated with the provinces. It is certainly premature, and I warn the Hon. Member not to make such insinuation without knowing exactly what the sales tax reform will be all about. The Hon. Member stated that a tax reform is always regressive. Just to hear him talk, it is easy to realize that he adhere to the notion helped by the Liberal Party whereby all tax schemes are regressive; That party has always perceived that in this way.

To conclude, Mr. Speaker, let me emphasize that if the Hon. Member feels I am somewhat confused about the distinction between deficit and debt, there is no doubt that the Canadian people are just as confused.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Thank you, Mr. Speaker. I welcome this opportunity to take part in the Throne Speech debate and to have some of my views recorded.

We got to know this Government quite well in the past four years. We watch with some fascination and considerable distress as it pursues its right-wing agenda. We know its extreme faith in the market-driven system to the point that it can be all things to all people. We know that this Government wants to align the Canadian economy with the economic model in the United States. Certainly the recently implemented trade agreement is a reflection of that. Of course, this has been reflected in the Throne Speech of last week.

We were hoping for something a little better, but I suppose that is unrealistic. After all a leopard cannot change its spots. I am afraid that this country and its economy will drift further and further into the jungle of unfettered capitalism. It is going to be more dog eat dog, putting profits before people, thereby widening the gap between rich and poor.

In the next few minutes, I would like to touch on a number of themes including deficit reduction, the need for a caring and compassionate society and, of course, the concerns of the West, particularly my home province of Manitoba.

Let us talk first about the deficit. It is, after all, the talk of the town and of the country. The present Government has raised the profile of the deficit to unprecedented heights, and it used last week's Throne Speech for that particular purpose. No one likes deficits. It would be better if we could clear the accounts and have revenues meeting expenses. The voters tell us all the time, especially in the past few months, that they want the deficit addressed in a very serious way. We as responsible politicians should respond to that in a responsible way.

Deficit reduction will have to be done in an orderly fashion and with sensitivity, and certainly it cannot be carried out upon the backs of poor Canadians. After all, they are the last who should be waging this fight. While there is a need to bring the deficit down, we do have to question some of the Government's motives. I ask the question, Mr. Speaker, why this extraordinary and sudden preoccupation of the Government with the deficit right now?

This preoccupation by the Government regarding the deficit started the minute the polls closed on November 21. Why was there not this preoccupation about the deficit during the election campaign? After all, the deficit existed during the campaign. Why was there not this preoccupation and this talk of deficit before the election campaign?

Some Hon. Members: Hear, hear!

Mr. Harvard: The deficit was there. Did that stop the Prime Minister (Mr. Mulroney) of this country from making promises totalling some $16 billion? No, it did not. Therefore we have to question the motives of the Government. The deficit was there when the Government decided to purchase nuclear submarines. Did that stop the Government? No, it did not. So why this sudden preoccupation with the deficit? Why not six months ago? Why not a year ago? Why not at any time during the period when this Government was pushing the national debt upward from a level of $170 billion to where it is now at about $322 billion? When the Government was spending the money at that time, was it concerned about the deficit? It does not seem so.

I ask the question, what is going on with the Government? Is this some kind of a set-up? Is it a trick on the part of the Government to cut social spending? Is it a trick on the part of the Government to somehow weaken the institution of the Government in this country, thereby weakening our ability to govern ourselves? It certainly would fit in very nicely with the free trade agenda, would it not? So, Mr. Speaker, we have to question the government's motives.

I also want to talk about the need for a caring and compassionate society. I want to address that matter because the Government reminds us of its devotion to a caring and compassionate society, but of course we all remember what this Government tried to do a few years back concerning the old age pension. It is almost certain, if you can take Government words at face value, that the unemployment insurance program will be the next target. After all, the Minister responsible for UIC has said that only those in need will get benefits, and that has a kind of ominous ring to it.

It would be rather ironic at this particular time to be targeting the unemployment insurance program. I say that because in recent weeks and months, particularly since this Government was re-elected, we have witnessed and experienced in this country an unprecedented spate of mergers, take-overs, acquisitions and that has produced lay-offs and plants closures in almost every province. I think this would be a very bad time to strip down the unemployment insurance program.

• (1250)

Let us look at this spate of mergers and take-overs and consider where is the caring and compassion in that process. Some of the lay-offs took place without any notice or consultation whatsoever. The suddenness of such a lay-off to a worker is frightening. Workers are at work and one day are faced with the pink slip, their jobs gone with a simple handshake. There is no reason given for the lay-off, except for the general explanation that it is good for the company, good for the industry and will strength the operation and efficiency of the company.

One must ask the larger question: What is in it for the community at large? What is in it for the country as a whole? Does this increased concentration of industry produce jobs? No. Does it produce better technology? There is certainly no guarantee of that. Does it result in greater competition? Not often. Does it bring retail prices down? No. In fact, it would probably allow prices to float upward.

When we look at the spate of mergers we must ask what is in them for ordinary Canadians who are trying hard every day to eke out a living and support their families. In Winnipeg a couple of months ago we were told that one of our beer plants would be closed. Some of us who live in that city might look to that kind of announcement with some favour if only knew that we were not sharing only the pain, since there is pain when jobs are lost. After the announcement, one of the companies involved said that as a result of the take-over the company was looking forward to dramatic increases in sales in the United States. That is good news because one assumes more sales means more profits. But where is the benefit for the Province of Manitoba in this case?

If more sales mean more profits, more production and more jobs, will we be included in the action? It is not likely. If anything, some Manitobans will probably have to go elsewhere in the country to seek the jobs that may be generated as a result of the increased sales in the U.S. market. We have already witnessed that in the Province of Manitoba. Workers who want to live in their beloved province have had to go elsewhere to find work. We have to be sceptical. Big business in Canada is restructuring the economy. Very often, those of us in the region feel that we are getting the short end of the stick. While this happens the Government not only seems to be quite indifferent to the process, but in fact approves of it.

The view of the Government seems to be: "Let the marketplace decide. The marketplace always knows best". That is not the Canadian way. If Canadians had always followed the dictates of the marketplace, going back to 1867, it is quite unlikely that we would have had the transcontinental railway or the Trans-Canada Highway. We certainly would not have had the Canadian Broadcasting Corporation, the National Film Board or even the Canadian Wheat Board.

I also want to talk about worker adjustment. That is an issue that needs to be addressed in the wake of the implementation of the trade agreement, and which must be considered in the context of a caring and compassionate society. During the election campaign the Prime Minister (Mr. Mulroney) promised that victims of the trade agreement would be taken care of. He was showing a sensitivity to anyone who may lose their job as a result of the agreement. I think many Canadians believed the Prime Minister and, toward that end, the de Grandpré Commission was established. Many of us not only wanted to believe in that particular process, we thought it would be serious and looked forward to its recommendations. That was not to be. Only a few weeks ago we were told that the problem is too big and workers who would be laid off or were already laid off as a result of the trade agreement could not be identified. Tell that to the victims of the trade agreement. They know.

The Government's failure in this regard is hardly consistent with its talk about the need for a caring and compassionate society. Of course, a Government that is dedicated to caring and compassion certainly does not trample on the low and middle income earners of this country. But that is exactly what it will do with the implementation of a national sales tax. It is a regressive tax that will tax every Canadian, rich or poor, for goods and services they require. It will be inflationary. In fact, the Minister of Finance (Mr. Wilson) confirmed that the other day when he said it would be inflationary.

The tax will be an administrative nightmare. There will be all kinds of red tape and paperwork. It will be a horrendous burden on the shoulders of small businessmen in this country.

What will the Government tax? It will tax music lessons, for example. In fact, a woman in my riding says that this tax is a direct attack on families and their children. The Government will tax haircuts, movies, cab rides, visits to the dentist, repairs to homes, tax on sales of new homes, life and property insurance, fares on trains and buses. The list goes on and on. It will tax services by credit unions and banks, services by lawyers, electricians, plumbers and painters. There will even be an application of this tax on services provided by commercially operated homes for seniors and the infirm. It will be a bonanza for the tax man. As a result of this national sales tax, billions of dollars will flow out of the pockets of Canadians and into the coffers of the Government. So much for the caring and compassionate society described by the Government.

There is also the issue of Established Programs Financing. The Government has weakened its commitment in the area of EPF payments. There has been a drop of 2 per cent in the growth rate since 1986. This has a direct impact on the health care system in the country and on post-secondary education because 71 per cent of EPF payments go to the health care system in Canada and the remaining 29 per cent goes to post-secondary education.

The Acting Speaker (Mr. Paproski): The Hon. Member will have two minutes remaining in his speech plus 10 minutes for questions and comments after three o'clock.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*English*]

AIR TRANSPORT

TERMINATION OF DC-9 SERVICE IN CAPE BRETON

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to draw to the attention of the House the recent decision of Air Canada to terminate its DC-9 service in Cape Breton. This is another economic blow to the economy of Cape Breton. Not only has Air Canada reduced the quality of service to the people of Cape Breton but it has also reduced the staff at the Sydney Airport. I find it interesting that tickets for Air Canada's smaller planes which are replacing the DC-9s are at the same price if not higher than the DC-9 fares. How can Air Canada justify this and then turn around and at the same time displace 46 permanent employees?

It is very clear that the Government of Canada does not believe in equality of economic opportunity for all Canadians. We in Cape Breton need a first-class airline service, and this decision underlines the fact that the Government of Canada is not really committed to regional economic development in that it is leaving that function solely to the Atlantic Canada Opportunities Agency. The Tories have been arguing for deregulation for quite some time. Now, we, the people of Cape Breton, see the real impact of deregulation and what it will mean for smaller communities across Canada; namely, cuts, cuts, and more cuts.

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NATIONAL PARKS

GRASSLANDS NATIONAL PARK—OPENING OF VISITORS' CENTRE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, last Friday at Val Marie in southwestern Saskatchewan, sod was turned marking the start of the visitors' centre for the Grasslands National Park. The Grasslands is Canada's 29th national park and Saskatchewan's second. This 350 square mile area will preserve for all time the last remnants of native prairie in North America.

The park not only protects the many natural features of the Grasslands but also saves endangered wildlife and birds and unique cultural and archaelogical treasures. Several million dollars will be spent for acquisitions and development in the Grasslands over the next five years. Land will be acquired exclusively through voluntary sale, thereby respecting the private property rights of ranching families.

Canada's national parks system is the only one in the world with such a grassland reserve, a unique ecosystem in the natural heritage of Canada. I congratulate both Governments and especially all those individuals and groups who persevered in making the Grasslands National Park a reality.

* * *

POVERTY

CALL FOR SOCIAL PROGRAMS

Mr. Jim Karpoff (Surrey North): Mr. Speaker, on Saturday I had the opportunity to be at Queen's Park in Toronto to welcome the March on Poverty walkers as they arrived from across Ontario. I am from British Columbia and we in British Columbia know all too well the growing problem of poverty with our large food banks and our school programs to feed hungry children.

I read with alarm the New Brunswick Minister's task force report outlining New Brunswick's growing problems of poverty and inadequate housing. However, I was shocked and dismayed to find that in Ontario, the most wealthy and affluent part of Canada, there is also a growing problem of poverty. People on low incomes are being driven further into poverty by the total lack of affordable housing.

I call upon the Government to take steps to bring in the needed child care program, to increase funding for affordable housing and to insist that the provinces provide adequate income security programs. Canada is not a third world country. There is no excuse for having 20 per cent of our children living in poverty. We in the New Democratic Party demand that this Government act and meet its responsibilities now.

* * *

TRIBUTE TO INUIT LEADER MARK R. GORDON

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I rise today to pay tribute to Mark R. Gordon, a prominent Inuit leader from northern Québec who died in Montreal on Friday. Mark was 36 years old.

Mark helped negotiate the James Bay and northern Québec land claims settlement during the 1970s. He also served as president of Makivik Corporation, the organization set up by northern Québec Inuit to manage the claim settlement funds. He was an eloquent spokesman for Inuit in the aboriginal constitutional negotiations with first Ministers over the last number of years.

All Inuit are mourning the untimely and unfortunate death of this intelligent and articulate young man who worked so hard for the good of his people. The aboriginal people of Canada have lost an outstanding colleague. Canadians have lost a leader of national stature. All those who knew him, including Members of this House, will remember him for his dedication and commitment. We will remember his contribution to the Inuit across the circumpolar world and to all of Canada.

* * *

SPORTS

WORLD CURLING CHAMPIONSHIPS WON BY CANADIAN TEAMS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, yesterday in Milwaukee, Canada's women's team skipped by Heather Houston and our men's team skipped by Pat Ryan both won their respective World Curling Championships. I realize that the rules of this House prohibit me from using this occasion for congratulatory messages, but as a frustrated old curler who has been trying for 30 years to draw to the four foot, I must at least take this opportunity to join with all Canadians who share the pride of having these two fine teams return Canada to the position of world curling supremacy.

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EXTERNAL AFFAIRS

LEBANON – HIJACKING INCIDENT ON PARLIAMENT HILL

Mr. Bill Attewell (Markham): Mr. Speaker, last Thursday, April 6, at least 2,000 Canadians of Lebanese origin conducted a peaceful, orderly demonstration on Parliament Hill. They were protesting the destruction, violence and terror which has plagued the citizens of Lebanon for 15 years of war caused by the invasion of foreigners. Their plea was strong and clear for Canada to use all its diplomatic levers through the United Nations to achieve peace in Lebanon.

Last Friday, an unfortunate and regrettable incident took place on Parliament Hill. Charles Yakoub, a Canadian who was born in Beirut, Lebanon, apparently became overly distraught over the plight of his parents who live in Lebanon. Since the recent bombardment of East Beirut, his parents have been living underground with no water and no electricity.

While the bus hijacking incident will have to be dealt with by the courts, I know all Hon. Members of the House will agree with me that this one isolated incident which ended, fortunately, without harm to anyone, will in no way diminish the respect we have for the outstanding contributions made to our Canadian society over many years by the thousands of Canadians of Lebanese origin.

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SPORTS

WORLD CURLING CHAMPIONSHIPS—TRIBUTE TO CANADIAN TEAMS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, like my colleague, I am pleased to announce that yesterday, Canadian rinks swept both the men's and the women's world curling titles in Milwaukee, Wisconsin. I am sure that all Hon. Members want to join me in congratulating the victorious Thunder Bay team of skip Heather Houston, lead Tracy Kennedy, second Diane Adams, third Lorraine Lang and alternate Gloria Taylor who beat Trine Trulson's Norwegian rink. This team showed the chief umpires that they not only came to curl but they also came to win. This marks the fifth time in six years that our women's side has won the world championships.

Congratulations are also in order for Pat Ryan's Edmonton rink. It is events such as this which make us all prouder to be Canadians. It reminds us that rural and small-town Canada are part of the fabric which makes this country so great. Good stuff, Heather! Good stuff, Bill! Good stuff, Thunder Bay!

* * *

[*Translation*]

NATIVE PEOPLE

INAUGURATION OF A SCHOOL IN WASWANIPI, ABITIBI

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on March 30, the new Willie J. Happyjack School was officially opened in Waswanipi, Abitibi. It has 20 classrooms from junior kindergarten to secondary V inclusive.

According to the Cree School Board, that school has approximately 340 students. It costs $5.2 millions, of which $3.8 millions or 75 percent are borne by the Federal Government and the remaining $1.4 million by the Government of Quebec.

I am pleased with this achievement because I have much at heart the education of young Crees.

Mr. Speaker, I offer my congratulations to the people of Waswanipi for their action and their determination and my thanks to the Minister of Indian and Northern Affairs (M. Cadieux)!

* * *

[*English*]

ENVIRONMENT

EFFECTS OF EXPANSION PROPOSAL BY TRANS MOUNTAIN PIPELINE COMPANY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, residents of the North Burnaby area of my constituency are strongly opposed to the increased environmental dangers, including air and water pollution, arising from the August, 1988 National Energy Board approval of an expansion proposal by Trans Mountain Pipeline Co. This proposal will mean three new storage tanks on Burnaby Mountain and a major increase in tanker and barge traffic in the Burrard Inlet, up from 15 tankers last year to 48 tankers and barges after the expansion.

We have seen the recent devastation caused by the Alaska oil spill and the West Coast oil spill, and we do not want to take the chance of a major disaster when Westridge terminal becomes the busiest hazardous goods loading dock in the Port of Vancouver. I urge the federal Government to order immediately a full environmental impact assessment of this dangerous proposal and in the meantime to say no to any expansion by Trans Mountain Pipeline Co. We cannot afford to take the risk of yet another major oil spill, this time in the sheltered waters of Burrard Inlet. When will the federal Government show leadership on this important environmental issue? When will the federal Government stand up, not just for residents of North Burnaby, but for residents throughout the lower mainland of British Columbia?

• (1410)

ENVIRONMENTAL AFFAIRS

ENVIRONMENTAL PROTECTION URGED BY SOCIAL STUDIES CLASS AT R.I. BAKER SCHOOL IN COALDALE, ALBERTA

Mr. Blaine A. Thacker (Lethbridge): The grade 8A Social Studies class at the R.I. Baker School in Coaldale, Alberta, with guidance from their teacher, Mr. Perry Mirkovich, have just completed a project designed to inform and combat the sinister effects of acid rain. The more they learned, the more alarmed they became. They informed others in their school and through the mass media informed others across Canada. As well, they changed several of their own personal habits. They chose February 15, 1989, as Acid Rain Prevention Day and invited all secondary students in Alberta to write to the federal Acting Minister of the Environment (Mr. Bouchard).

Their plea is as follows:

> On behalf of the youth of the world, we, the grade 8A Social Studies class of R. I. Baker School, ask you, our nation's leaders, to place as a top priority the conservation and wise use of our environment so that the children of the future may enjoy the rewards of a cleaner world.

* * *

RESEARCH, DEVELOPMENT AND EDUCATION

RECOMMENDATIONS OF THE NATIONAL CONSORTIUM OF SCIENTIFIC AND EDUCATIONAL SOCIETIES

Mr. John Manley (Ottawa South): Mr. Speaker, over the course of this week, Members will have an important opportunity to meet the national consortium of scientific and educational societies representing over 55,000 researchers and over 450,000 post-secondary students. These people will be on Parliament Hill for the purpose of speaking with Members. They are here to talk about Canada's crisis in research, development and education and its impact on our national well-being and economic strength.

[*Translation*]

Their message comes at the right moment. The National Advisory Board for Science and Technology and the deGrandpré Commission both urge the Federal Government to take concrete steps that will indicate it is well aware that research and development is of paramount importance.

[*English*]

I call upon Members to meet with representatives of the consortium this week. I urge the Government to double the base budgets of the three research-granting councils and index them at a rate of 1.5 times the annual growth rate of GNP; to convene a First Ministers' meeting to discuss the crisis in post-secondary education; to expand federal government research in such vital areas as agriculture, health, the environment and space; and to modernize and increase funding for student financial assistance.

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SPORTS

WORLD CURLING CHAMPIONSHIPS – TRIBUTE TO PAT RYAN OF THE EDMONTON TEAM

Mr. Al Horning (Okanagan Centre): Mr. Speaker, I rise today to ask the rest of the Members to join me in congratulating a Kelowna resident, Pat Ryan, who with his Edmonton team yesterday won the World Curling Championship in Milwaukee. As many Canadians will know, Mr. Ryan defeated another Kelowna resident, Mr. Rick Folk, for the Canadian championship.

This truly enhances Kelowna's image as the curling capital of Canada.

* * *

HUMAN RIGHTS

PROTECTION OF THE UNBORN

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I rise today confident that I speak for millions of Canadians when I express alarm at the lack of seeming urgency on the part of the Government to address the problem that has been created in this country when we have no legislation in place to protect the pre-born. Under the heading of "A Caring Nation' in the Throne Speech, some slightly vague reference was made to abortion. I urge the Government to get their priorities in order and show a new level of humaneness and show real care for the pre-born who are the most defenceless in our society.

* * *

HEALTH

CANCER-RELATED MORTALITY AMONG SYSCO WORKERS

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): An ongoing steelworkers' union-sponsored survey into cancer-related mortality among former Sysco steel coke oven workers in Cape Breton shows, based on 103 known deaths, a cancer morbidity rate of 53.3 per cent.

Despite these alarming facts plus government knowledge of information contained in two related "internal" reports by Environment Canada which have been "restricted" from public access from 1974, the attitude of both senior Governments has, according to the union, been "anything but co-operative".

Despite the fact that these workers have died and the ovens are closed, there is still a problem to solve. These workers—both dead and alive—and their families need help in establishing claims. Their community needs help in cleaning up the mess of corporate and government neglect.

The Minister of Health should agree now to the two-year request for a meeting with the union. The Minister of the Environment (Mr. Bouchard) should immediately release the 1974 reports. The Government should move quickly to initiate the comprehensive community environmental study which has been recommended.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

OFFICIAL LANGUAGES—NOTWITHSTANDING CLAUSE—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I listened carefully last week to the Prime Minister's (Mr. Mulroney) speech in the Throne Speech debate. I have yet to hear the Prime Minister make a clear, unequivocal statement about the Québec language legislation. Instead of criticizing Mr. Bourassa for limiting fundamental rights in Québec, the Prime Minister claims it is the fault of former Prime Minister Trudeau. The Prime Minister says that the 1982 Constitution is not worth the paper it is written on because it contains the notwithstanding clause.

The Prime Minister must recognize that a majority of his Cabinet, including the Deputy Prime Minister, the Secretary of State for External Affairs, the Minister of Finance, the Minister of Justice, the Minister of Health and Welfare, all voted for the 1982 Constitution in this House of Commons. At that time, the present Prime Minister supported Mr. Trudeau's initiative.

Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister now state categorically that he deplores the restriction of language rights in Quebec and does not approve Premier Bourassa's or any other Premier's use of the notwithstanding clause to by-pass the Charter of Rights and Freedoms?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are a number of errors of fact in regard to the prefatory remarks made by my right hon. friend. However, he is asking me a question that I have answered many times. I believe a Constitution should unite all Canadians, and this one regrettably failed that test. I believe that a Constitution has a fundamental responsibility to render unassailable our basic rights. This Constitution provided for an override clause. I said that because of this, the Constitution was gravely flawed. This is one of the reasons I have worked hard with other Members of the House to begin the process of improving it. My views on the notwithstanding clause and its use have been made very clear. I think my right hon. friend would agree that that clarity is on the record.

As Prime Minister and as a citizen, I accept and always have accepted the Constitution as the fundamental law of the land. However, there is an obligation on me to point out what I believe to be serious deficiencies in the Constitution and to try to correct them. The Constitution failed the test of unity. The Constitution should bring all Canadians together, and it did not. Because it should protect our fundamental rights and it did not, I thought it was not inappropriate for me to say that this was a gravely flawed Constitution.

NOTWITHSTANDING CLAUSE—PROPOSED RESOLUTION

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister has repeated again this afternoon what he said last week, namely that he is appalled by the existence of the notwithstanding clause, yet I remind him that in four and a half years as Prime Minister, he had the opportunity preceding the negotiations of Meech Lake, and he took no action to remove it. I have taken the trouble of drafting a resolution. Will he agree to a recorded vote of this House of Commons this afternoon or at an early opportunity denying Parliament the right to use the notwithstanding clause? In constitutional terms, will the Prime Minister agree to a resolution to the effect that the House of Commons will not use its powers under Section 33 of the Constitution?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to look carefully at any suggestions that come from my right hon. friend as to how the Constitution can be improved.

The Constitution of Canada, I suppose like all others, is a living document that is amended from time to time, as are others in other jurisdictions, for reasons of new situations that the citizens and the Members wish to correct and improve.

I will be happy to look very carefully at any views expressed by my right hon. friend.

Almost unanimously the House supported the Meech Lake Accord. The principal obligation on all of us, given the leadership by the Leader of the NDP, the Leader of the Liberal Party, and myself, is to be as persuasive as we can with regard to those provinces that have not yet ratified the Meech Lake Accord, and to indicate to them how important it is for the future of Canada that the document, already ratified by the House of Commons, receive approval in those two provinces.

• (1420)

[*Translation*]

NOTWITHSTANDING CLAUSE—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am prepared to help the Prime Minister take another initiative because I take the Prime Minister at his word. I have a resolution here in front of me. Is the Prime Minister prepared to accept a resolution that the House of Commons undertakes immediately never to use the notwithstanding clause? And furthermore, is the Prime Minister prepared to let the House vote this afternoon or at an early opportunity to delete the notwithstanding clause from the Constitution itself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, normally this kind of discussion takes place beforehand among the leaders of the various parties in the House. I already indicated to my right hon. friend that I would be pleased to look carefully at any proposal he might submit.

First and foremost, we have a process that involves another problem with the Constitution. My friend raises the problem of minority rights and the notwithstanding clause. There is another equally serious problem, the exclusion of Quebec from the Constitution. And I do think that the Hon. Member for Shefford is right. Indeed, under the circumstances, it may be even more serious.

Now, together we have built a procedure that would finally allow Quebec back into the Canadian Constitution. It is definitely the national priority, because I tell you without reservations that for me, the Canadian Constitution without Quebec in it is seriously flawed. That is why it would take. . . We need Quebec in the Constitution just as we need Ontario. For me, the Canadian Constitution without Ontario would also be seriously flawed. Quebec was excluded. We must do everything that can honourably be done now to bring Quebec back in and that is what the Meech Lake Accord does for all Canadians.

* * *

[*English*]

NATIONAL SECURITY

BUS HIJACKING—REPORTED LACK OF COMMUNICATION BETWEEN POLICE FORCES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Solicitor General. The hijacking incident on Friday raises some very serious questions about national security and the ability of our policy forces to respond quickly, effectively, and co-operatively with respect to acts of terrorism.

Reports indicate that Ports Canada police and the Québec Provincial Police failed to notify the RCMP in a timely fashion. The RCMP only found out about the incident two hours after it began when the hijacked bus rolled onto Parliament Hill.

Can the Solicitor General explain to the House this serious and terrible breakdown in communication? Can he explain why Ports Canada, that is within federal jurisdiction, did not notify the RCMP?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, first of all, I would like to point out to the House—and I think everyone is aware of this—that criminal charges have already been laid before the court, after the events that took place on Friday, and of course, that public statements on the incident should be made with extreme caution. I would therefore urge all Members of the House to be very cautious in this respect.

That being said, Mr. Speaker, I think it would be in order, especially since the House is meeting today for the first time since the incident, to offer on behalf of this House and on behalf of all Canadians our warmest congratulations to the RCMP which acted in a truly exceptional matter, considering the circumstances.

Some Hon. Members: Hear, hear.

Mr. Blais: I think that with me, all Members will want to commend the competence and calm shown, as the Hon. Member pointed out, by the RCMP, by our security here in the House, and I would say also by Members and their staff who quickly responded to requests that they evacuate the building. This is an important factor. It is a situation that does not occur very often. Mr. Speaker, we were able to demonstrate that the RCMP and its entire team were able to react quickly and effectively, and I think all Canadians are glad they were able to do so.

[*English*]

REPORTED FAILURE TO NOTIFY ROYAL CANADIAN MOUNTED POLICE

Mr. John Nunziata (York South—Weston): Mr. Speaker, there is no question that the RCMP and Ottawa Police ought to be commended for acting responsibly, effectively, and professionally in bringing the incident to a successful conclusion. However, that is not at issue.

What is at issue is how the incident was initially dealt with, and why it took more than two hours before the Royal Canadian Mounted Police, the national police in Canada, became aware of this hijacking.

I fully realize that criminal charges have been laid and are pending, and my question is not directed toward the criminal charges, but with respect to how the government agencies reacted to this particular incident. I believe the people of Canada have a right to know.

Why is it that Ports Canada police and the Québec Provincial Police failed to notify the Royal Canadian Mounted Police immediately? Why did it take two hours before the RCMP became aware of this incident? Does the Solicitor General not believe that national security and the safety of Parliament and of those who are here was compromised as a result of that terrible breakdown in communication?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I think it is important to emphasize here in the House that the security of Canadians is a major responsibility that we do not take lightly. We, and the RCMP especially, demonstrated that we do take the public's security seriously, and I think we made this clear on Friday.

Mr. Speaker, I would like to get back, if I may, to a few other points raised by the Hon. Member's question. I would like to say that throughout this incident it was clear that there was a very high degree of co-operation among all parties involved, including the RCMP, security on the Hill and other services including the Canadian Security Intelligence Service. As for other parties that may have been involved before, that is an important point. I asked the RCMP Commissioner to discuss the matter with the Director of the Quebec Provincial Police, and this has already been done. I personally spoke to the Quebec Minister of Public Security this morning to discuss the matter, and I asked the RCMP Commissioner to make a complete review of the situation and the sequence of events, because I have every confidence in the close co-operation that we receive from the Quebec Provincial Police. This morning the Commissioner assured me that the relationship was excellent and that there was very close co-operation with the RCMP, and I am convinced this will continue. There is no question about that.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

EFFECT OF CONTEMPLATED CHANGES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Last week the Minister told the House that the changes to the unemployment insurance program contemplated by the Government will still mean that Canadians in need will be entitled to unemployment insurance benefits. We took that clearly to mean that many Canadians were going to be cut off, and that the Government was going to define arbitrarily what need means.

In this context, will the Minister today confirm that the Government is contemplating a change that would have the effect of removing one million Canadians annually from entitlement to unemployment insurance?

• (1430)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I said last week that those Canadians in need of unemployment insurance will continue to have access to it, and I am sure the Hon. Member will be prepared to wait for a statement that I intend to make in the House tomorrow morning at eleven o'clock on this topic.

Some Hon. Members: Hear, hear!

FUNDING OF RETRAINING PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we will look forward to that with interest, but apprehensive Canadians would like the Minister to answer that question clearly now to clear the ground in advance.

I would like to ask the Minister another question. A story that the Minister has no doubt heard, and even contemplated, is that the Government plans to finance retraining programs with money taken from the Unemployment Insurance Fund. This would amount to the unemployed paying for their own retraining.

Will the Minister guarantee that the Government will not impose this injustice on unemployed Canadians?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member seems to have a lot of things that he would like to say today, and I would suggest to him that he take my first answer at its word and wait for tomorrow.

Some Hon. Members: Hear, hear!

[*Translation*]

UNEMPLOYMENT INSURANCE PROGRAM CHANGES – MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister gave no assurances as to this Government's intention not to insist that the unemployed themselves pay for the changes in the UI Program.

Why won't the Minister give us that assurance now?

[*English*]

Hon. Barbara MacDougall (Minister of Employment and Immigration): Mr. Speaker, what I said in response to questions last week, inside and outside, the House was that the unemployed in Canada want to work, and the key to their having jobs is job opportunity, and the key to job opportunity is training. I am sure beyond that the Hon. Member will be happy to wait until tomorrow.

SIZE OF BENEFITS – REQUEST FOR MINISTERIAL COMMITMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the same Minister. We are putting questions to her today because we hope we will be able to convince her not to slash the program she has in mind, before tomorrow. We are hoping that reason will prevail, and that she will not lock the door on some unwanted changes.

Will the Minister make a commitment today not to reduce benefits that workers require to buy groceries, to pay rent, to keep alive while they are unemployed against their will? Particularly will she make a commitment not to reduce benefits so that unemployed workers will be thrown on provincial welfare schemes to stay alive?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I will make a commitment that reason will prevail.

RECOMMENDATIONS OF PARLIAMENTARY COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, we are pleading with the Minister to take these things seriously. In the last Parliament we had a Standing Committee of this House on Labour, Employment and Immigration that studied this matter for almost a year and came out with the unanimous report, with a Tory majority, which made 90 recommendations to improve the unemployment insurance system vastly and to eliminate abuses, but not to slash benefits for workers.

I ask the Minister whether she will give serious attention to that report and implement those recommendations rather than the Forget recommendations which were very reactionary.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I cannot say that I have looked at all the reports that have had to do with this matter. I said last week that the thrust of our statement will not be in the direction of Forget. There will be many reports that are taken into account.

* * *

[*Translation*]

TRADE

CHANGES TO SOFTWOOD LUMBER AGREEMENT – GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister for International Trade, I will direct my question to the Right Hon. the Prime Minister.

Friday last, the Minister for International Trade recognized his Government felt it reasonable to bring changes to the softwood lumber agreement. But, to use his own words, "there has been no negotiations in this connection."

My question is very simply this: Since the Minister recognized economic conditions had changed, what changes to that unacceptable agreement is the Government proposing? Did you consult with provinces? Further, would you tell us what is your agenda to negotiate with the United States the renoval of that bad agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it has always been this Government's practice to hold consultations with affected sectors of the Canadian industry. There will be such a follow-up process in this case.

[*English*]

REQUEST FOR SPECIAL ADJUSTMENT PROGRAMS FOR AFFECTED WORKERS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, with all due apology, the Minister did not answer my question.

His colleague on Friday said there must be changes in the softwood lumber agreement. The United States has said it will not make any changes. In the meantime we have hundreds of workers losing their jobs. Is it not the responsibility of the Government now to indicate clearly what its plan of action will be?

Will you provide some adjustment programs for the workers losing their jobs in that industry? When will you begin negotiations with the United States to end that particular accord? What is the direction that this Government intends to take to eliminate what is becoming a very serious burden and handicap on the softwood lumber industry of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do apologize to the Member. I thought I had responded to his question about consultation. If there are to be changes sought in this agreement, it will be the practice of this Government in that case, as it has been in the past, to consult with the members of the industry and other Canadians who are directly affected.

ROYAL CANADIAN MOUNTED POLICE

BUS HIJACKING—TIMING OF INFORMATION

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Solicitor General and relates to the hostage taking on Friday.

Despite the competence of the RCMP and the officers involved in solving the hostage taking, clearly, there was a total breakdown of communication in this case. The bus should have been stopped long before it got to Parliament Hill. At what point were the RCMP informed of the hostage taking, and what steps did they take to communicate that information to Ottawa?

[*Translation*]

Hon. Pierre Blais (Sollicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I answered earlier that I have personally asked the Commissioner of the RCMP, with whom I have been in close contact during all those events and since, to check with all the police forces involved, including the Quebec Sûreté, the Montreal Harbour Police and all others that may have been involved in the incident, so that we may gather all the facts. I even contacted the Speaker of the Senate and the Speaker of the House, so that all personnel involved with security, here on Parliament Hill, may be assured that the RCMP will cooperate with them to gather all the facts in this matter.

In view of this, I believe it would not be appropriate to make further comments before we have all the facts gathered over the next few days. I believe the Hon. Member should do as I do, wait for those facts to be gathered before making any further comments.

[*English*]

Mr. John Brewin (Victoria): Mr. Speaker, the *Sûreté de Québec* have said that they informed the RCMP within half an hour of being informed by Ports Canada and they in fact learned of it from the Greyhound Bus Company.

In view of the importance of this issue and that this was the first hostage taking of a bus in North America, will the Minister agree to refer this whole episode to the Standing Committee on Justice and the Solicitor General so that we can get appropriate answers for the people of Canada?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Blais (Sollicitor General of Canada and **Minister of State (Agriculture)):** Mr. Speaker, the facts referred by the Hon. Member were commented by some newspapers this morning. This is part of the information now going round. For that reason I have asked the Commissioner of the RCMP to make a review, as we should under the circumstances when such incidents happen. We should be happy that thanks to the RCMP's careful work the incident had such a favourable ending. I think that if we could trust them Friday to solve the incident, we should trust the RCMP Commissioner to bring us all the facts, in cooperation with all the people involved, both at the provincial and federal level. Then only will we be in a position to make a judgment.

* * *

• (1440)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY OF COMMERCE AND INDUSTRY FOR RIO DE JANEIRO.

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. Rodrigo Lopes, Secretary of Commerce and Industry for Rio de Janeiro.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF LEADER OF THE OPPOSITION IN THE PROVINCE OF MANITOBA.

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mrs. Sharon Carstairs, Member of the Legislative Assembly and Leader of the Opposition in the Province of Manitoba.

Some Hon. Members: Hear, hear!

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AGRICULTURE

SUMMER FALLOW ACREAGE PAYMENTS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is directed to the Minister of State for Grains and Oil Seeds. It concerns the Canadian Crop Drought Assistance Program.

Will provision be made under the Program for payment for unusual acres of summer fallow and, if so, what criteria will be used in order to determine those acreages?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, when we announced the Program in November we said that because the Program is based on seeded acreage and is crop specific, if producers had seeded less in 1988 than they had previously we would be willing to go back and look at the previous five-year average in order to arrive at something more fair concerning their own farms.

Second, we will refer that matter for specific recommendations to the review committees once they are established. We are very close to announcing them. I suspect that within the next ten days the review committees will be in place.

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NATIONAL DEFENCE

ACQUISITION OF NUCLEAR-POWERED SUBMARINES—SOVIET DISASTER

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question which is for the Minister of National Defence, is directed to the Associate Minister.

In view of the tragic sinking of the Soviet nuclear submarine 300 miles north of Norway over the weekend, the uncertainty regarding the security of the nuclear reactor involved, both in the short-term and the long-term, and the concern of Canadians about this very sensitive subject, particularly in light of the parallel they draw with the Canadian North, does the Minister intend to pursue the acquisition of nuclear-powered submarines for Canada with the same vigour as that of his predecessor?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, first I think my colleague and all Members of the House would like to express their deep sympathies to the friends and families of the Russian submariners who lost their lives in this very tragic accident.

Second, the reports we have received to date indicate that the accident was not related to the nuclear reactor on board and that there are no indications of any radiation leakage from the accident. This of course will be monitored very closely and we will be keeping in touch with international authorities.

It is not inconsistent because, as I am sure my hon. friend knows, of some 400 nuclear submarines operating there has never been to date, to our knowledge, an accident which has involved fissionable material leaking into the waters. In fact, these have proven to be much more environmentally sound than many of the fossil fuel driven submarines.

MINISTER'S POSITION

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I thank the Minister for her interim reply and certainly note a certain amount of knowledge on the subject. I do not disagree with some of the things she has said—

Some Hon. Members: Hear, hear!

Mr. Mifflin: —but would certainly call into question the concern and perception Canadians have on this subject. The Hon. Minister mentioned this one particular instance—

An Hon. Member: Question.

Mr. Mifflin: I am coming to my question. There have been four others where nuclear submarines have sunk in the last 20 years and indeed there is a record of 13 near misses over that period of time. I think the last one of a general concern to people was on January 26 last year when a Polaris submarine came within two minutes of having a problem.

Will the Minister reconsider her response in view of this record and in view of the commitment of the Government?

The Right Hon. Member for Yellowhead talked about our commitment to NATO. I believe they do not want nuclear submarines from Canada but patrol frigates.

Some Hon. Members: Question.

Mr. Mifflin: In view of the concern that people have for statistics, will the Minister re-affirm her position and remember that people wondered what was going to happen with the *Exxon Valdez* before there was a problem.

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I am not sure there was a question; however, the discussion was extremely interesting. On April 27 we will be looking forward to a Budget, at which time our resources will be known and we in the Department of Defence will be making our decisions about major acquisitions at that time.

FOOD

SALE OF IRRADIATED FOOD

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that the Government intends to amend the federal Food and Drug Regulations to allow irradiated food to be sold in Canada, why is the Government rejecting the recommendations of an all-Party committee that food irradiation not be allowed in Canada until specific safety questions are addressed?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, this question is more properly addressed to me in that the Minister of Consumer and Corporate Affairs is responsible for labelling. The policy is the responsibility of Health and Welfare.

After extensive study the Government is convinced that the safety of irradiation can be proven. In addition, there is a good deal of evidence that irradiation can help to reduce the incidents of food-borne disease and can lead to preservation of food at a time when millions of people around the world are starving.

[*Translation*]

LABELLING OF FOOD PRODUCTS—GOVERNMENT POSITION

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my supplementary question is directed to whoever is willing to answer it. If the Government insists on ignoring the recommendations of its own committee, Canadians have at least a right to know if their food has been partially or completely irradiated. Will the Minister demand that that information appear on food labels?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Yes, Mr. Speaker, we intend to require labelling where significant irradiation has taken place. If there are suggestions for improvements to any of the regulations when Members have had a chance to see them, we would be glad to entertain that.

A study done for the Department of National Health and Welfare recently came to the conclusion that in Canada each year there are probably some 627,200 cases of salmonella poisoning at a cost of $946 million. If we can do something to reduce the suffering of Canadians who are affected by food-borne disease, if we can do something to prevent the wastage of food at a time when much of the world goes hungry, I think we should consider it as long as the safety of consumers can always be paramount.

FORESTRY

FEDERAL-PROVINCIAL AGREEMENTS – ADMINISTRATIVE RESPONSIBILITY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, Canada's forests are facing many challenges, including the Softwood Lumber Agreement.

In a speech at Prince George last Thursday, the Deputy Minister of Forests gave the strongest signal yet that forestry agreements with British Columbia and other provinces will be administered by agencies like the Western Diversification Office or the Atlantic Canada Opportunities Agency.

My question is directed to the Minister of State for Forests. Will he assure the House that funding for forestry agreements will be increased and that his Department, and his Department alone, will be responsible for administering forestry agreements with the provinces?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps you will permit me to congratulate my hon. friend who is asking his first question as forestry critic and who comes from the spruce capital of Canada.

I can assure him that federal resources will be available and a federal commitment is in place that is designed to assist the provinces to shift to more intensive forest management regimes, which include non-timber values, more integrated management regimes which include the social aspects of our forests. That commitment is as strong or stronger now than it ever was. I know that the Hon. Member will be pleased with the results after the Budget.

• (1450)

REQUEST FOR CONSIDERATION AT FIRST MINISTER'S CONFERENCE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, if the Throne Speech is any indication, Canadian forests are in trouble because there was not one word about forests in the Throne Speech.

My supplementary question is directed to the Right Hon. Prime Minister. On or about April 17, the Minister of State for Forests will be releasing a major 900-page study on the future of forestry in Canada. It points out the need for major structural changes and new market developments in this area.

In light of the importance of forestry to Canada, I would ask the Right Hon. Prime Minister if he would consider putting forestry at the top of the agenda at the next First Minister's Conference yet to be scheduled.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, the Government has acted where others have talked and written.

The Forest Resource Development Agreements have literally started a new industry in the Hon. Member's own city and mine. Over 1,600 jobs were created as a result of the silvicultural arrangements that were funded through the co-operative agreement with the province.

These agreements will continue to be jointly funded and we intend to strengthen our resolve to remove the backlog of NSR lands and to shift our industry, the provinces and ourselves to a practice which is more responsible in terms of our custodial responsibility for our forests.

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NATIONAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

MCMASTER UNIVERSITY NUCLEAR REACTOR

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. McMaster University at Hamilton, Ontario, is home to a nuclear reactor which is vital to medical and educational research and which serves hundreds of scientists and engineers from around the world. It is the first and remains the largest of its kind in the Commonwealth.

However, this facility is in jeopardy because the Federal National Sciences and Engineering Research Council has denied McMaster a request for upgrading and has also cut the McMaster nuclear reactor core budget by $600,000. The jobs of 15 people as well as all the high-tech spinoffs that such a project creates will be shut down.

Can the Minister explain why NSERC has cut funding to the McMaster nuclear reactor and why the Government is not supporting research and development as recommended by the de Grandpré Commission?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, the decision not to fund the McMaster reactor was taken by NSERC as it went through all the priority items on its agenda. In its opinion, the McMaster reactor did not have nearly the same priority as many of the other items that were on the agenda.

In terms of funding science and technology, let me remind my hon. colleague that it was this Government that put $240 million into the Centres of Excellence Program, an extra $200 million into the Granting Councils over the next few years, and $80 million into the Canada Scholarship Program, as well as $500 million into technology. That indicates to me that we take science and technology pretty seriously.

REASON FOR DECISION ON FUNDING

Mr. Stan Keyes (Hamilton West): Mr. Speaker, if the Government takes science and technology so seriously, then why is research and development headed this way instead of that way?

My question is directed to the Hon. Member who was the former President of the University of Guelph. The former President of the University of Guelph has told us that NSERC is doing this because it has decided to do this. The reason it decided to withdraw funding from the McMaster reactor is because "it is not attracting bright, young scientists". Is that the answer from NSERC?

Does the Minister agree with this reasoning or will he admit that the real reason behind it all is that his Government will not allocate funding to NSERC so that NSERC can put the funding where it is needed, research and development, and specifically McMaster University and its nuclear reactor?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, one of the reasons the McMaster reactor is no longer a first-rate reactor is that it needs a major upgrade in its core. That major upgrade would cost a significant amount of money. There was a real question, even if the upgrade were to have been done, whether that reactor could compete with other facilities across Canada.

[*Translation*]

SCIENCE AND TECHNOLOGY

SALE OF CONNAUGHT LABORATORIES TO FOREIGN INTERESTS—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Connaught laboratories, where insulin was discovered, are the biggest makers of pharmaceutical drugs in Canada and will soon be sold to the Institut Mérieux, a company controlled by the French Government. In addition, the Lumonics company, which comes third in the laser technology industry thanks to a technology licensed by the Canadian Government, will be sold to a Japanese company. What does the Government intend to do to prevent the sale of such national research and development companies to foreign interests, a deal which the French or the Japanese Government would certainly not allow?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, these transactions, as indeed any such transaction, are now reviewable by Investment Canada, and under the Investment Canada Act I am precluded from giving any details of that review and whatever recommendations might come out of that review.

REQUEST FOR GOVERNMENT ACTION

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, this is just a part of a long series of acquisitions of high technology companies in Canada. Both of them are focal. Both are hugely significant.

The Government, as well as allowing this purchase, has contrived a Free Trade Agreement that costs us strategic procurement, subsidies, and other measures appropriate to encourage research and development. Will the Government not act to ensure that we lose no further research and development intensive companies, than those we already have lost as a result of the Government's policies?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the President of Dupont International told me recently that as a result of free trade, significant portions of their research are being moved from Delaware to Canada because Canadian science and research is more productive.

The point is that there are transactions occurring in the market-place. I am concerned and interested, more than that, committed along with the Government which has so indicated in the Throne Speech, to seeing Canada's research and development efforts grow, not shrink, and to seeing the development of new R and D and high-tech companies in Canada. If the Hon. Member will have patience, he will see that the policies of the Government will produce that kind of growth over the next months and years.

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CANADA POST CORPORATION

LABOUR RELATIONS—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for the Post Office and concerns the administration of Canada Post.

The Minister will know that the Canadian Union of Postal Workers last week asked for a Royal Commission of Inquiry into the management and the operations of Canada Post. Given the sour state of labour negotiations at Canada Post, the three suicides of employees this year, the 52,000-case backlog of grievances, the closure of rural post offices and the general deteriorating service in urban areas, will the Minister immediately mandate such a Commission of Inquiry, and if not, why not?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, one of the reasons is that most of the so-called facts the Hon. Member proffered are not facts, they are false. The fact is that service has been improving. The Post Office is more efficient. Absenteeism has been reduced. The fact is that things are improving so much that Jean Claude Parrot is worrying he will not have anything to complain about and has recruited the Hon. Member to put those false accusations before the House.

• (1500)

Mr. Boudria: It is quite evident the Minister has been watching that video cassette Canada Post has produced.

[*Translation*]

PRODUCTION OF VIDEO CASSETTES—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to ask a supplementary question to the Minister responsible or irresponsible for Canada Post.

How can he, as Minister responsible for that agency, tolerate the fact that Canada Post, instead of dealing with the employees I mentioned earlier, prefers to invest $1.5 million to produce videos boasting about its inability to deliver mail? How can the Minister explain that?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): I find it ironic that a union would complain about management communicating with the employees. The cassette in question congratulates the employees on improved service and performance. The only one it offends is Jean Claude Parrot and his lackeys on the other side who come here to make those complaints.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): The House rose at 1 o'clock p.m. The Hon. Member for Winnipeg—St. James had the floor. He has two minutes plus ten minutes question and comments. The Hon. Member.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her Speech of the opening of the session; and on the amendment of Mr. Turner (Vancouver Quadra) (p. 131); and on the amendment to the amendment of Mr. Riis (p. 236).

Mr. John Harvard (Winnipeg—St. James): I want to finish off my remarks by expressing some concerns relevant to my home province of Manitoba. We Manitobans feel that we are good Canadians. We don't want special treatment in Canada. We want only equal treatment, nothing less and nothing more. We want our share of the national wealth. We want a Government that is sensitive and committed to regional development. We want a Government that will work hard to even out the economy. We in Manitoba are concerned about an over-heated economy in southern Ontario. Meanwhile, there are serious pockets of unemployment in other parts of the country. We are concerned about the Government's high interest rate policy. It is there to cool down the economy in southern Ontario and to dampen

inflation in the country. I suggest strongly that we do not have serious inflationary problems in the Province of Manitoba.

In our province, we still remember the CF-18 affair. That is something that will not leave us for a long while. We are concerned about VIA Rail. We are concerned about the Government cutting that service, not only because there would be a loss of jobs, but VIA Rail is important to many small communities in the Province of Manitoba.

We are concerned about this Government's commitment to the environment. We noted with some distress in the Throne Speech that the Government is backing away from the international centre for promotion of sustainable development in the Province of Manitoba, particularly in my home city of Winnipeg. The Prime Minister made a big to-do about that in the election campaign. Now we are concerned that the Government is backing away from that commitment.

We are also concerned about eight earlier agreements that expired at the end of March. They were worth more than $400 million to the Province of Manitoba. At the expiration of those agreements, more than $90 million was not spent. We feel those agreements, which represented grants to a host of economic activities, are very important, to Manitoba and the entire West.

I want to conclude by saying we as an Opposition want to be vigilant. We want to watch this Government. While we will offer vigorous opposition, we will do it responsibly.

Some Hon. Members: Hear, hear!

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I would like to congratulate the Member for his speech.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Having had the pleasure of listening to him before lunch, he should be commended on the depth of the issues he has raised and the quality of his intervention.

Mr. Turner (Vancouver Quadra): Very perceptive.

Mr. Gauthier: As our critic for Western Diversification, I take it that Members will hear from this Member very often in this House where he will stand and defend the interests of western Canadians and the constituents he represents.

[*Translation*]

I would like to ask the Hon. Member. . . and that gives me great pleasure. With regard to the Speech from the Throne that we are discussing—and particularly the amendment moved by the leader of the Opposition which is before the House, and on which the question will be put later on today at 5:30, and which will hopefully be agreed to since it would improve the Speech from the Throne—I think something is lacking in that Speech, Mr. Speaker, because it does not deal with important issues such as daycare and some social matters related to the unemployment insurance system which is about to be slashed, the new commodity tax, a regressive and inflationary tax with which the Minister of Finance (Mr. Wilson) will hit us on April 27, and the training and development of our workers following the U.S.-Canada free trade agreement.

Mr. Speaker, I want to give the Hon. Member the opportunity to explain how he thinks the West will react to this violent and vicious attack against low-income earners, against their means of livelihood, and their ability to provide for their families. I want to know what he thinks of the regressive side of the Speech from the Throne, especially of the sales tax which will apply to all goods and services, except food, of course. How do the people in Western Canada react to this regressive sales tax, which is I think for us a step in the wrong direction?

[*English*]

Mr. Harvard: I want to thank my hon. friend from Ottawa—Vanier (Mr. Gauthier) for his kind remarks. I can assure you, Mr. Speaker, I have watched this Member with much interest since I came to the House in December and believe I can learn a lot from him.

I want to tell my hon. friend that I had a deluge of letters and phone calls about the proposed national sales tax. The voters in my riding are not stupid. Their eyes and ears are open. They know exactly what the national sales tax will do. It will attack low-income groups, medium-income groups, and all Canadians. This is the most regressive tax that this Government can come up with. The incredible thing is the Government has already admitted that the tax will be inflationary, particularly in its early stages. This was admitted to and confirmed by no less than the Minister of Finance (Mr. Wilson) the other day. We already have problems with our economy. For the Government to impose this type of inflationary, regressive tax on the Canadian people is irresponsible in the extreme.

I want to add a concern I have about interest rates, because I have received many calls and letters about it. There is not only the concern that we in the Province of Manitoba are having to share an extra burden because of the high interest rates that are apparently there to dampen down and cool off the economy in southern Ontario, but there is another concern we have. Many people have noted there is an increasing and unprecedented difference between Canadian and American interest rates. It is currently about two percentage points. What that does is it sucks American money and cash into Canada. That pushes up the Canadian dollar. We have seen that since the election. We have seen that since the implementation of the trade agreement. What does that do? It makes it much more difficult to compete in U.S. markets. It was something that we warned the voters about during the campaign. It was something was pointed out over and over again by my good friend from Winnipeg South Centre. Not only that, but in the wake of the implementation of the trade agreement—

• (1510)

The Acting Speaker (Mr. Paproski): The Hon. Member for Halifax West on a point of order.

Mr. Crosby: I believe that the House is well aware of the purpose of question and comment, and the need for a response in reply to the question. I do not think that there is any authority to go on at length on a new subject, interest rates, which was not even raised by the questioner.

The Acting Speaker (Mr. Paproski): I am sure that the Hon. Member will be winding down, and then I will allow the Hon. Member for Halifax West to pose his question. The Hon. Member for Winnipeg—St. James.

Mr. Harvard: I am very surprised that my friend opposite would raise this. If the Hon. Member cannot see a connection between high interest rates and a concern about a national sales tax, then he better return to school, because there is a direct relationship.

Since the implementation of the trade agreement, that agreement has pushed up the value of Canadian companies. Therefore, there has been an unprecedented wave of mergers, acquisitions, and take-overs. The agreement is causing more foreign take-overs of the Canadian economy.

Mr. Crosby: I wish to tell the Hon. Member for Winnipeg—St. James that, in terms of schooling and education, he could do with a little education on parliamentary procedure before he comes in here and destroys the whole purpose of the question and comment period.

In his speech he talked about the national debt and the deficit. Canadians owe $322 billion with a mounting deficit of $30 million a year, started by his own Leader.

Mr. Gauthier: One hundred and seventy-seven billion dollars of that was yours.

Mr. Crosby: Everyone in Canada realizes there has to be something done. This weekend the Ottawa *Citizen* published a special supplement asking Canadians to deal with the subject of the deficit and the national debt.

In view of the mounting evidence, and in view of the fact that 31 cents of every tax revenue dollar is spent on interest payments in respect of the deficit and the national debt, and the fact that it is mounting and that it will continue to, does the Hon. Member think that any responsible Government can ignore this fact? Is the Hon. Member suggesting that we should not raise taxes or reduce expenditures in order to deal with this problem?

Perhaps the Hon. Member would tell us what he proposes to do, to answer the Ottawa *Citizen*, and to answer the people across Canada who write editorials and make comments, for example, professors and editorial writers. Everybody states that we must reduce the national deficit and attack the national debt. Is the Hon. Member telling the House of Commons that he disagrees with that opinion, and that he does not think it is necessary to take any action? Is that his point? Was the Hon. Member elected to tell that to the House of Commons?

Mr. Harvard: Might I suggest that my hon. friend opposite is a johnny-come-lately. The deficit has been around for a number of years. The Government has contributed over 100 per cent to the national debt, taking it from $170 billion to $322 billion. Where was the Hon. Member last summer when the Government was making promises totalling $16 billion which added to the deficit and to the national debt? Were Members opposite concerned about this deficit when they were making the decision to purchase the nuclear submarines? Suddenly, after the campaign is over and the election has expired, the Government becomes all concerned about the national deficit. Of course, we should be concerned about it and we do want to bring it down. However, we want to bring it down in an orderly fashion and in a sensitive

manner. Members of the Opposition do not want to bring down the deficit on the backs of poor and low-income Canadians. We will not have any part of that.

We have to question the motives of the Government. It has been expressing much concern about the deficit. Why did the Government not do this six months ago, or one year ago? The Government is more responsible for this reduction than anyone else.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. The Hon. Member for Outremont.

• (1520)

[*Translation*]

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I am proud to take part in this Address debate. The task at end is not easy and the mandate some of us are assuming, I feel, is very significant. Each of us has a part to play, and whatever our political stripes, it is not only a right, but a duty. No one in this House is taking it lightly. A country like ours, so large and diversified from one region to the next, from one city to the next, from one province to the next must be managed not only with vision, but also with wisdom and courage. No matter what Party is in Government or what Parties are in the Opposition, the objectives are the same: make sure that our very beautiful and complex country continues to grow, thereby ensuring that every Canadian has his place in the sun, plant his tree, can cultivate his garden and enrich his heritage.

Yet, Mr. Speaker, as the popular saying goes, nothing is free, you must pay for what you get. And if someone decides to mortgage his health, his life or his property, the time comes when he must suffer the consequences. This is a universally accepted fact. Everybody agrees with it, even if some often behave as though they wanted to forget that simple reality.

As soon as it was elected in 1984, our Government turned the page on a great many dark years because of the distrust and misunderstanding which had poisoned Federal Provincial relations and threatened the very unity of our country. It made strong decisions and took the necessary actions to help our economy recover and create the job opportunities which are the motor of our prosperity. It gave Canada a new international direction and developed at home programs to ensure true social justice.

I indicated in a speech I made in December that on November 21, Canadians had chosen a new direction. They selected a number of representatives to sit in this House and asked us to plan for their future as well as our own.

Last week, the two Leaders of the Opposition Parties replied to the Speech from the Throne. They mentioned that Canada had changed. It has changed indeed. But this country of ours is not only changing, it is growing, maturing, thereby becoming more complex. Also, Mr. Speaker, the ways to deal with issues have changed. The means which had proved economical for decades and even for half centuries are no longer adequate in today's context.

We are nearing very quickly the end of this century. Not only will we have the opportunity to live through this event which occurs only once every 100 years, but we will enter at the same time a new millennium. Years come and go as they have since the adoption of our calendar and the years 1999 and 2000 will obviously be no different. However, the turn of a century always takes on a particular significance. It is traditionally a period when people ask themselves questions, sometimes even worry about what the future holds for them.

We feel a need to label everything and, in certain quarters, this is accompanied by a strong tendency towards reductionism.

The affluent society which came into being during the 50's has rightly or wrongly been called the post-industrial society. This judgment was quite narrow especially since it did not encompass the whole world. Everybody wanted to get more than his neighbour. Many tried to increase their wealth with any thought being given to the consequences. The so-called post-industrial society was the leisure society. This leisure society was to emerge in the 70's. Machines would do everything. Robots would be at our service. The first half of the century had witnessed great strides in mechanization. But during that period, one might say the seeds had been planted. The harvest started to emerge in the 50's. There seemed to be no limit. Science and reason were in. They cohabitated in a sort of way which made superior beings out those who worshipped them. Scientists thought only in terms of correlation and, if the correlation was weak, there was no link. It was to be rejected. Statistics and scientific rigour were to define the intellectuals, those to be in place.

However, it is also in this century that nazism, reared its ugly head leading to the massacre of German, Austrian, Hungarian, French and other Jews. Reason was law, and science also, supported by scientific rigour, of course.

While man was inventing and producing more and more tools, he did not see that those tools were shaping him. He had also learned to measure time and he thought he could control it. He did not realize that, in the end, it was time that controlled him. Besides, at the end of his life, man always admits to himself that he didn't have enough time to do what he had to do.

Our challenge of today and, probably, of the next century will be managing moderation. Our entry into the space age will show us all the advantages and disadvantages of excessiveness. Certainly, we cannot and must not stop progress, just like we cannot stop time.

However, for that very reason, we must realize the need to harness that excessiveness and to let it operate within an acceptable framework. Our life cannot be successful without standards.

Therefore, we must prepare our entry into the next century and millennium if we want to solve that excessiveness crisis and prevent further oil spills which would destroy us. That world of paradoxical reality and double constraint must be accepted. There are other possibilities. However, we have become modern while preserving our values.

Another challenge, Mr. Speaker, is to harmonize tradition with progress. As Touraine said, we are living a crisis of modernity, a time of paradox, a time of double constraint.

In the last election, the Canadian people have renewed their faith in Mr. Mulroney, probably because they were still quite satisfied with his performance. They already knew that new times were coming. They knew that because they can read the signs and hear the alarms. They knew that we had to open up. They accepted the free trade challenge. They know that the coming years will not be easy. They know that we must set the tone and show moderation.

In fact, a nation's maturity and self-sufficiency can be recognized by its capacity to produce and develop while accepting restrictions. Last November, Canadians clearly chose a Government which can not only conform to demanding standards but which also intends to set even bolder objectives. That is what the Speech from the Throne announces, Mr. Speaker. And I am honoured to be associated with the exciting mission that the Government and our leader, Mr. Mulroney, have given themselves.

I am honoured to take part in the development of the country along the lines of the new courses and policies set forth in the Speech from the Throne. The challenge for excellence protects us from excesses while preserving the aspirations of the people.

Mr. Speaker, the Government has stated a few basic objectives, including the enhancement of those values which make Canada the unique country it is. The economy may be the subject of discussions in all circles and some people may be inclined to believe that the science of economics leads the world, but we must come to realize that economics stem from culture and values.

We must come to realize that economics depend on the stability of those values because the relation between economics and culture and values is one of subordination. There cannot possibly be equality between both fields since culture must essentially precede economics. In a reduction context one is often tempted to think that economics prevail over culture.

Mr. Speaker, the Speech from the Throne is a national unity commitment which is aimed at promoting the values which make Canada a unique country in the world. Indeed Canada is now considered to be one of the most dynamic, pacific and promising countries of the world. A foreign diplomat once said that Canada is a pampered country which does not experience serious difficulties.

Such is our outstanding achievement after slightly more than a century of history, a fact which has to be acknowledged in a very special way. As a matter of fact, in 1992 we will celebrate the 125th anniversary of Canada and the 350th anniversary of the foundation of Montreal. As we are wont to do, we will emphasize Canada's cultural wealth.

Our sights will remain set on the challenge of our country's cultural life and our rich multicultural legacy. We will improve the distribution of Canadian cultural products. Concrete measures will be taken concerning citizenship, and the Government will establish the structures required to further promote harmony between races.

There is no question of reducing everything to a common denominator and attempting to make all Canadians look alike. It is much more a matter of building on individual differences in order to increase the effectiveness of synergia. The country will thus be able to avoid a situation where power becomes the be-all and the end-all.

In that case, the phenomenon of unlimited growth occurs. It is a cancer.

Mr. Speaker, we must be proud of this Throne Speech because it is uplifting, courageous and challenging with a sense of responsibility towards the future. Another aspect of this Throne Speech also has our support, the part about a caring and generous society. For Canadians, tolerance and justice are paramount. Our society is concerned with the quality of life of its people. We have always honoured our obligation to come to the help of those in need here and abroad.

The Mulroney government shares these Canadian values. That is why the reduction of the deficit is so important. It will allow us to maintain quality social programs for future generations. And that is also why, despite our passing financial problems, we will continue helping families and senior citizens with greater emphasis for low incomes Canadians.

Income security is but one of the many challenges facing our society. We will also table legislation providing for the establishment of a national child care program.

The government will pursue its fight against family violence, child abuse and drug abuse and support research on AIDS and the diseases of the elderly.

The government will continue to support the efforts of the United Nations and its organizations and to participate in peace-keeping missions.

And that is why we will continue to strongly encourage further progress in international disarmament and to give our support to those who work for peace in the troubled regions of the world. Our caring and humane country is founded on justice and tolerance. Those are the values underlying our national and foreign policies which are cherished by Canadians.

Finally, Mr. Speaker, under the guidance of our leader, Mr. Mulroney, our government will be active in the field of science and technology establishing centers of excellence and programs based on strategic technologies.

However, our most important economic policy is without a doubt the development of our nation's work force. Our government will implement a comprehensive human resource strategy for the years to come, and that includes literacy, education, training and retraining programs.

To conclude, Mr. Speaker, I want to congratulate the Minister of Finance who, as a good father should, will bring us back to reality in introducing a budget which will remind us that our economic resources should not control our lives. The budget he is going to introduce in due course will protect us against the dangers of immoderation. He will challenge us to new levels of excellence. Finally, I just want to say how proud I am to represent the people from Outremont within this Progressive-Conservative government, led by a great captain, our leader, Mr. Mulroney.

• (1530)

[*English*]

Mr. Comuzzi: Mr. Speaker, I join the Member for Outremont (Mr. Hogue) in wishing everyone in the House to live beyond the year 2000. I hope that is the case for all of us who are here today.

I enjoyed his remarks inasmuch as he gave a cultural and institutional history of Canada in the early part of this century and the time after the 1950s, which showed the contradictions Canadians have had to face since the early 1950s. He mentioned the challenges to harmonize tradition and progress, and to be able to work with progress and restraint.

I think it is important to note what the Hon. Member said as he brought us through the 1950s, the 1960s and the 1970s. He said that the Government accepted the challenges of free trade and went on to say that as we head into the 1990s, free trade will not be easy. He said that because we have accepted the Free Trade Agreement the years ahead will not be easy for Canada. What did he mean by saying the years ahead would not be easy for Canadians?

[*Translation*]

M. Hogue: Mr. Speaker, I want to thank my friend in the Opposition for the nice things he said about my speech. I do hope he will be around, in this country if not in this House, when we reach the year 2000. We will certainly need people like him.

There is no doubt in my mind that in the years to come we will live, as I mentioned earlier, in a very contradictory world, since technology has progressed so much over the last 200 years while men have been living at their own pace. In business schools, we call that dichotomy an organizational misfit, and that dichotomy cannot regress nor diminish. I was comparing and commenting on the measures that our Minister of Finance (Mr. Wilson) will introduce in a few days, and which we are all trying to guesstimate, a budget which will allow each and every

Canadian to better live and influence his future by using our human resources instead of relying on the financial resources, which merely the outcome of our labour.

And that represents a challenge which we have already taken up and which we will continue to face. I firmly believe that the new century will see Canada become the nation as was predicted a few years back: Canada will be the nation of the twenty-first century.

[*English*]

Mr. Nunziata: Mr. Speaker, what concerned me about the Speech from the Throne was that one of the most serious threats to our youth, one of the most serious threats to law and order in Canada was given just a passing reference in the Speech from the Throne. I am referring to the drug abuse problem in Canada.

While it might be glamorous for the media and others to talk about drugs in amateur sport, the real drug problem is with the young people in Canada. It was much to my chagrin that I noted in the Speech from the Throne that there was only passing reference, after the Prime Minister (Mr. Mulroney) called it an epidemic several years ago. The problem is getting worse.

In a few short years we will have the same problem as that which exists in the United States with respect to crack. We have been fortunate thus far but there is no reason why the problem that exists in the United States will not find its way here.

It is for that reason I believe it to be a national tragedy that ought to be dealt with in a forthright fashion immediately. We know the problems associated with drug abuse. There was a parliamentary committee that investigated that very problem just a few years ago. Yet the Government does not appear to be taking the problem seriously.

We know that a lot of violence is associated with drug abuse, especially with crack abuse. We know what the root problems are and we also know the problem appears, regrettably, to be concentrated in the black community.

Why has the Prime Minister and the Government chosen simply to give it passing reference in the Speech from the Throne? What does the Government specifically intend to do to address that problem during the course of this mandate? It is one thing to talk a big game about the problem of drug abuse in Canada, it is another thing to do something about it.

• (1540)

Will the Prime Minister (Mr. Mulroney) give the same care and attention to this problem, the problem of drug abuse, that he has given to the steroid abuse by a bunch of macho athletes who are bent on cheating in order to succeed? Does the Hon. Member not believe it more important in terms of Canada's priorities to hold a Royal Commission of inquiry into the drug problem, the real drug problem in Canada? Can he assure Canadians that the Conservative Government will make it a top priority and will spend the resources necessary to combat that very serious problem?

[*Translation*]

Mr. Hogue: Mr. Speaker, such a broad question would certainly require someone with much more specialized knowledge than I have, but it makes a former university professor want to open up and approach this issue from different points of view and really spend an hour discussing it. But I am still glad to have allowed two questions of this kind and such an important one as the problem my friend opposite raises.

I am not in a special position to evaluate the quality of the Speech from the Throne. Anyway, I did assess it and I said that I supported it and was proud of it. I do not see the point in being specific about programs when the Government announces its overall policies. The Government opens these various chapters, so to speak, presents them and, during the session, they will be filled out page by page and discussed with those authorized to do so.

My friend opposite knows very well that a newcomer to politics is not to presume he is something else. I know the difference between the status of a backbencher and the roles various Members have, the roles of the various people in this House, and my role is not to legislate or state my personal positions for the time being, or state the Government's position on issues like drugs. However, there is no doubt that if drugs are singled out or dealt with specifically, nothing will be solved—they are part of an overall problem. And that is why in my answer, I dealt much more with what Touraine was talking about, of this crisis we are entering, this paradox, where to some extent, balance in society seems to be giving way to excess. The problem of sense versus power, of moderation versus excess and the questions we must all raise about these fundamental issues will no doubt lead us to deal specifically with this matter of drugs in due course.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, during the last election witnessed the emergence of a novel, unique phenomenon. For the first time in many years Canadians started to discuss our future as a country. The election now is behind us. However, our collective reflection on this country's future has but started. The current Throne Speech debate in my view is closely linked to that reflection.

[*English*]

Having avoided the issue throughout the long election campaign, the Government has at long last told us where it stands. At a time when thousands of Canadian workers need help adjusting to economic change, the Government stands for extensive discussions. At a time when the gap between the rich and the poor is widening every day, the Government stands aside. At a time when virtually every nation in the world is seeking new ways to create new wealth and economic opportunity, the Government stands pat.

On Monday last, instead of providing us with a prelude to a new decade, to a new century, we heard the last gasp of the old. Rarely has a political Party in office been given such an opportunity to demonstrate vision and rarely has a political Party failed so badly.

The problem is not just what the speech contained, it is what it did not contain: a belief in the capacity of the Canadian people, working through their Government, to meet the challenges ahead. Therein lies a fundamental difference between Liberals and Tories.

Clearly, this administration does not share our belief in the capacity of Government to evolve with society. It does not believe that Government can be an effective tool to help improve the lives of Canadians. That, unfortunately, is the essential message of the Speech from the Throne. That is why the Government signed a very one-sided trade deal, giving away the very tools that a modern state requires to develop its economy. That is why it is dismantling Crown corporations without giving any thought to the creation of new ones to meet new needs. That is why it stands by as high-tech company after high tech company representing the industrial future of Canada falls under foreign control. That is why our social programs have been put under the gun for four years.

This administration claims that its hands are tied by the deficit. That is garbage. Its objectives are not economic, they are ideological, an ideology that went out with the potato famine of the 1840s. The deficit is a problem and it is a very real one, but its solution does not lie in taking a broad axe to our social safety net. Canada has created a network of social programs of which we can be proud. We do not turn our backs on the sick. We do not walk away from the poor. Now, however, the Canadian commitment to social justice is coming under attack.

[*Translation*]

Our universities and our whole health care system are under attack, as are our senior citizens. And now, for the first time in our history, the generation of people under 30 is not assured a higher living standard than that enjoyed by their parents.

Deficit, reduction, yes! But not at any cost, and certainly not without reflection. Because as long as we limit ourselves to that budget exercize, we are not concerned with identifying new, more efficient ways to deliver existing services. The end result is that our cities more and more resemble those in the United States, and the drugs problem is getting worse.

Of course needs are changing. And our ability to adequately meet those needs certainly must change in turn. But it is no accident that Canada today is recognized as a caring, welcoming society.

It is because we always understood that we could improve our living standards by helping each other.

That is what Canadians implemented. That is their vision of the Government's positive role, and that is what is lacking in the Throne Speech.

• (1550)

[*English*]

The Tories claim to be a modern Government. I think they are frozen in the 1950s. Will you tell me why, in the very year the United States and Soviet Russia begin the most promising series of arms reduction initiatives since World War II, this Government signs an order for eight to twelve nuclear submarines at a estimated cost between $16 billion and $20 billion, nuclear submarines that are obsolete on the drawing board, nuclear submarines, the first of which will be delivered in the year 1998 and the last sometime after the year 2020, in a world that will be substantially different from the one in which we are now living?

I understand that a month and a half ago the Prime Minister of the country went over to Europe to receive an award for the environment. I doubt if that was the reason he went. I suspect he really went in order to repair the Maginot Line.

We as a political Party on this side of the House believe in the private sector, but we also believe in the positive role of government. That is why we disagree with the unspoken message of the Throne Speech. It asks not how can you make government more effective, but simply how can you make it smaller? Dismantling is seen as an end in itself. Redirection, modernization and the institution of government are not seen as tools of contemporary nation–building by the Tories.

For example, no one disputes that government programs can outlive their usefulness, but the mixed economy has not outlived its usefulness, nor will it, because Canadians will not limit their reach. We are not saying that we should dig in our heels to hold on to every last initiative spawned by former Governments. Far from it. What we are saying is that we should not deprive the Canadian people of the programs and institutions they require to meet the needs of the 1990s.

For instance, the Throne Speech did not once mention "housing", and yet lack of adequate shelter is one of the most pressing challenges this nation faces.

Some Hon. Members: Hear, hear!

Mr. Martin: Despite the fact that over 100,000 Canadians are homeless, despite the fact that one of every three tenants has to spend more than 30 per cent of their income on rent, despite the fact that countless Canadian families are losing hope of ever owning a home, this Government did not feel that housing was worth a single comment. Shelter in a climate such as Canada's is not a privilege. It is a right. Furthermore, home or co–op ownership is not just a roof overhead. It is also an important source of income security and community stability. In a society without roots, it provides much needed cohesion. Home ownership is the most important investment decision that most people will ever make.

[*Translation*]

By making it impossible for some people to become homeowners, you deprive them of their main reason to be involved in economic activities. If you want to see what happens in major urban areas where people do not feel comfortable and are no longer concerned about their environment, see what's happening to our American friends.

[*English*]

Canadian cities, going the way of their American counterparts, could well be the price we will pay for letting home ownership get beyond the reach of the average Canadian. That is why it was so incredible that housing was missing so completely from the Throne Speech.

As far as shelter for the homeless, transition homes for the battered and the abused, decent rental accommodations for countless Canadians, this Government's lack of concern is simply beyond human comprehension.

Some Hon. Members: Hear, hear!

[*Translation*]

So far, Mr. Speaker, we have emphasized some of the issues which the Government has ignored in this Speech from the Throne, but what about those it did address? Again, it is clear that the Government does not understand how to use its resources to develop a strong Canada. It prefers to remain idle while hoping that everything will turn out for the best. One has to wonder. For instance, the same Government which intends to use its Unemployment Insurance Funds to finance training programs has been for over four years merely slashing funds allocated to the training and re–training programs. Under these circumstances, who could trust such a Government?

[*English*]

This Government talks of adjustment assistance, and then the chairman of its own panel says that such assistance may well be countervailable under the trade deal. Then the Tories would have us take them seriously.

The Throne Speech speaks of the trade deal. It is enough to send shivers up your spine. In the first round, the Tories gave up most of Canada's bargaining chips before they sat down at the table to negotiate. They gave up on FIRA. They gave up on softwood lumber. They did not get a single concession in return. What they did was to take a dive in the first round. What will they do in the second?

I will tell you what they will do in the second. What we hear now is that the United States is gearing up to attack our subsidy programs. We hear the Government questioning the cost of regional development. They are beginning to hoist the white flag and the battle has yet to begin.

[*Translation*]

Anything else in the Throne Speech? The environment. The Government is quite eloquent about it, but the time is no longer for fancy rhetoric, but for strong action, because we can no longer think in terms of compromise.

[*English*]

Who in this House will forget the scene of the Minister of the Environment (Mr. Bouchard) sitting there, having entrapped the Minister of Transport (Mr. Bouchard) in his lethargy, the two of them denying that one of the greatest ecological disasters of all time, the Valdez spill, posts no present or future danger to Canada? Their refusal to come to grips with the problem before them symbolizes the failure of this administration's concept of government. I believe this will become the symbol of the Government's chronic inability to come to grips with the problems of the 1990s.

[*Translation*]

Curiously, Mr. Speaker, this Government which refuses to look toward the future is not learning from the past. Problems exist. However, there is something we should never forget: the strength of a nation lies in its ability to overcome its greatest weaknesses. Canada's strength comes from its vast geographic areas and low population density. If our railroads became one of the greatest achievements of the 19th Century, it is because our territory demanded it.

If our telecommunication industry is today a world leader, it is again because the Canadian people demand it. When a great country meets challenges, its population lives up to the challenge and that is the message the Throne Speech should have sent out.

[*English*]

Canada requires contemporary solutions to contemporary problems. We face economic decisions of breathtaking opportunity. We face new social demands of unparalleled magnitude.

• (1600)

In both cases we will meet the challenge ahead only if government does not give up its ability to lead. Some day the NDP may well learn that government is not always the solution. On the other hand, it is time for the Tories to learn that government is not always the problem. Tories believe that the answer is cutting back, while Liberals believe in moving ahead. Tories believe in restraint, and Liberals believe in adjustment. For the Tories, restraint means eliminating programs instead of making them work better; restraint means allowing people to drift along instead of helping them to move ahead.

Let us be clear about one thing. Canada will not be able to move ahead. Canada will not be able to keep pace, much less take its place in the forefront of the nations of the world by restraining innovation, opportunity, and growth. Instead, we have to ensure our nation's ability to adjust. Canadians have to come to grips with the global market–place. We have to adjust to a changing workplace. We have to adjust to new environmental norms. Government has a crucial role to play in guiding that very process.

How does government play that role? It does so through policies that open the playing field to many who have been sidelined in the past, such as senior citizens, disabled Canadians, and single mothers. It does so by ensuring a role for the private sector to carve out niches to meet the demands of an ever–evolving society. It does so by setting the stage for entrepreneurship and innovation.

In conclusion, it does so by rising far above the sterile role prescribed for it in the Throne Speech of April 3, 1989.

Mr. Gray (Windsor West): I was interested in what the Hon. Member had to say about the omission of housing from the Throne Speech.

The Government appointed a new Minister of State for Housing (Mr. Redway). There have been reports of remarks he has made indicating a renewed commitment to housing.

Has the Hon. Member noted any change in the previous Conservative policy of neglect of housing since the current Minister responsible for housing has taken office?

I would also like to ask the Hon. Member his views on the lack of any commitment in the Throne Speech to a national infrastructure program to assist towns and cities across the country to renew their basic infrastructure of roads, bridges, sewer systems, and the like.

Does the Hon. Member agree that such a program would be a form of investment in the future of this country in that the projects in question would not only give employment to hundreds of thousands of people who would be paying taxes and adding to the revenues of the Government and receiving less in the way of welfare and unemployment insurance payments, but would also help make our economy more competitive?

I have seen studies that strongly indicate that a national infrastructure program would increase the over–all efficiency of the Canadian economy.

I wonder if the Hon. Member could respond to the points I have raised?

Mr. Martin: I thank the Hon. Member for his questions.

At the time of the appointment of the Minister of State for Housing (Mr. Redway), having listened to his criticisms and comments in the House of Commons, I, and many Canadians, felt that at last we had a Minister who was going to take an interest in his portfolio. I need only refer to the unfortunate comments of his predecessor, the now famous Minister of the homeless.

Unfortunately, it has now become manifest that that appointment was a way of silencing a very effective critic by bringing him within the circle. From the lack of any mention of housing within the Throne Speech, it is clear that the Government has effectively shut up a man who, on the Government's side of the House, might well have been the conscience for vast untold numbers of Canadians who are now devoid of shelter.

The problem is not only limited to the lack of reference within the Throne Speech. It is manifest in the lack of response to the countless groups that have come before the Government and asked for an increase in aid, asked for a roof over their heads, asked for warmth in the months of January and February, and who have been turned away with a casual wave: "We will have to see when the Budget comes down", and the Minister of Finance (Mr. Wilson) then casually stands up and states that there will be nothing for the homeless; there will be nothing for the young people in this country who want to buy new homes; there will be nothing to provide co–op ownership, which is a unique way of sharing in property for those who cannot buy their own homes. There will be nothing because the Government does not believe that people should be helped.

The infrastructure question is very well taken. Time and again it has been demonstrated that the multiplier effect of the work that would go into building sewers and bridges, and improving roads, would repay itself many times over in jobs and tax revenues. Yet the Government refuses even to consider its responsibility in that area.

More important, without any social conscience in any way, shape, or form, the Government stated that it was going to be concerned with the environment. One of the most important polluters of rivers and bays are major municipalities that cannot afford decent water or sewage treatment. The Government states that it is concerned about the environment, but it denies funding to municipality after municipality to clean up the water that we drink and the air that we breathe.

Our cities are in the front line of virtually every social problem that we face: the environment, housing, the drug problem, and lack of skills. To deprive our cities of the moneys that they require is to deprive current and future generations of the intellectual and physical sustenance that they require. There is no greater example of the Government's lack of conscience and lack of understanding of the needs of nationhood than the fact that its members sit there, fat cats, refusing to help out those people who live in an increasingly urbanized society.

The answer I give to the Hon. Member is one of great discouragement. As a rookie Member of Parliament I have been sitting here and looking at Members without conscience across the aisle. I wish that I could say that they will live up to their responsibilities, but unfortunately their record does not enable me to do so.

Mr. Rodriguez: I listened intently, and I am impressed with the commitment of the Member to Canada. I am impressed with his concern for a blueprint that would create employment. I have two questions that I wish to ask. Given all of the things that he has stated, how does he feel about the development of the shipping industry in Canada with respect to registering Canadian ships and flagging Canadian ships, which is an important aspect and one in which we had some leadership until a previous Liberal Government destroyed our merchant fleet?

Second, I heard many of the Hon. Member's colleagues wanting to support VIA Rail and continue the subsidies to VIA Rail. Does the Hon. Member maintain the position that VIA Rail should be continued and expanded, and that the subsidies should be continued in order that we give greater options to travellers, so that instead of using buses—particularly Voyageur—they would be able to use VIA passenger rail service?

• (1610)

Mr. Martin (Lasalle–Emard): Mr. Speaker, again I thank the Member for his question, and I especially admire his ability to stay within context.

As far as the first question is concerned, the one having to do with the flag registration, the fact is that as a result of the unfortunate drought in western Canada a substantial portion of the Great Lakes fleet is going to be laid up. As a result of that, there are going to be jobs lost arising out of a crop failure in western Canada and some ships have been flagged out, ships which undoubtedly will be coming back into the Lakes next year when indeed the crops in western Canada begin to grow once again.

But the Member raises a very important question, and that is why in this country do we not have a merchant marine? Why in this country can we not have a tax system that will give us the same benefits that the Norwegians have and other countries which desire to see their own flags flying? The answer, Mr. Speaker, is again a failure to understand the laws of international commerce and to understand nationhood.

So I feel very badly and I would hope that the industry which has put forth a plan for registry of ships would be listened to.

On the other hand, you see, this is it. Here is an industry that would like to create jobs for Canadians, and the hard–hearted Minister says: "To heck with creating jobs for Canadians. I have got my job. I am a Minister of the Government. I do not need to create jobs." Well, you may want to deprive Canadian sailors of jobs, but the Canadian sailors are going to have their day of reckoning.

As to the second question, the Member made a clear statement: why we should give jobs to bus drivers when we can give them to locomotive engineers? I do not understand that. I think we should be able to provide jobs to locomotive engineers and to conductors and at the same time provide jobs for bus drivers and truck drivers. I do not think any Member in this House should be discriminating against any Canadian industry as the Member did in his question. I get carried away in the face of such inequity, Mr. Speaker.

Let me just simply say that my personal position on this particular issue is that I would hope that Canadians will never be deprived of adequate transport in the regions. I would hope that we would never find a situation in the Maritime Provinces, in northern Ontario, in northern Québec or in western Canada where train service would simply disappear. It would not be reasonable. Nobody should ever discriminate against the regions of this country, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: Questions and comments are now terminated. Debate. The Hon. Minister of Public Works (Mr. MacKay).

Hon. Elmer M. MacKay (Minister of Public Works): Thank you, Mr. Speaker. It is a distinct pleasure to be recognized following the remarks made by the distinguished Member from Montreal who has just spoken. To some of us have been here in the House to experience many speeches from the Throne, and the Member who has just spoken provides a very interesting link with history because his father distinguished himself very greatly in this House.

It is significant also that this is the first time that a Government has had the honour to bring forward a Speech from the Throne at the beginning of a second majority mandate since the father of the Member who has just spoken was in the House of Commons. I think, Mr. Speaker, this is significant because I would be the first to concede that going back to the 1950s to which the Member referred, the Liberal Government of that day did give leadership. They were good managers.

I remember reading in *Time* magazine when I was a little boy that the management of Canada's affairs was a source of some envy to other nations of the world, but unfortunately to put it in perspective, when we take a look at the latter 1960s, and the 1970s, the record seems to be much less clear.

I think it is fair to say that when you look back to when the Right Hon. Pierre Elliott Trudeau first came into office, we had the same basic concerns in many areas that we have today.

Mr. Andre: Everything is worse.

Mr. MacKay: I took a little trip back through memory lane and read some of these speeches from the Throne in the 1960s and 1970s, and it was interesting. I have here a reference involving the environment in 1969, and I am reading a quote here. Water was among most precious of our resources, that Speech from the Throne said, "and evidence of past failure to rehabilitate our water resources is there for all to see".

The Liberal Party has struggled mightily with resources and with the environment, and I guess the culmination, came forward not long ago, on March 8th in *The Citizen* when Greg Weston of recent biographical fame noted that the Liberal Party, which was millions of dollars in debt, spent half a million dollars decrying the terrible state of a particular lake. "I have never been so angry in my entire life", begins the letter signed by Liberal Party secretary, Marie-Andreé Bastien. It turns out that after spending half a million dollars, Mr. Speaker, raising a lot of partisan comments, that the Liberal Party through their spokesperson had to admit, and this is a direct quote:

> When faced with the fact that this was not a dead lake but a very healthy beaver dam in a very healthy national park, I said to my husband, oh, my God, it's a beaver dam. A senior Liberal estimates the mailing cost to the debt-ridden Party of more than half a million dollars.

So it can be said, and I realize I am being partisan here, but I cannot resist the jibe, that the Liberal Party in this case does not know the difference between a beaver dam and a dead lake. So this is not a very reassuring example of a contemporary awareness of the seriousness of environmental concerns.

Mr. Speaker, our Speech from the Throne in this particular case does bear testimony that we have honoured the commitments of the last four years. I think it is fair to say that even the most partisan of critics opposite would admit that in the past four years our country is considerably better off than it has been, that we have systematically reduced the budgetary deficit for the first time since the 1950s, that we have created over a million jobs, that more people can afford housing, more people are in better economic circumstances today than they were when our Government came into office in 1984.

Mr. Speaker, housing was never an easy problem. I remember 10 years ago, when I was Minister of Housing for a short time, we were faced with the infamous AHOP program. There were three AHOP programs as the Member from Nickel Belt (Mr. Rodriguez) will remember. On top of that we had in Ontario the Home Ownership Plan. What was the result of all this subsidizing and paying people to live in houses? People were walking away from their housing, tossing their keys in and saying it was not worth it.

Mr. Speaker, there are no simplistic solutions for housing. It means that people have got to be given employment and that constructive measures have got to be taken, and this our Government has been doing over the past four years. But why are we faced with such a financial problem today? Environment does not just refer to a physical environment. We have to look at our physical environment, but we also have to look at our social, political and financial environment. We have one-fifth of the world's fresh water. We have the longest coast lines. We are a neighbour of two superpowers. We look out on three oceans and speak several languages, including our two founding languages, and yet with all these resources, Sir, and all this potential, we have not yet quite filled the great Liberal Prime Minister Wilfred Laurier's prediction that the 20th Century would indeed belong to us.

We have seen a country like Argentina, a distinguished representative of which was in the gallery today, which in the 1930s had a gross national product and resources of the same as ours—my friend tells me he was from Brazil. Well, the same comparison could be made about Brazil. Countries with great resources and great potential do not always realize them. Potential is a wonderful thing to have, but it can be a heavy burden if it is not realized. So when we congratulate ourselves and say what a wonderful country we are, how unique we are, how fortunate we are, how sensitive we are, perhaps it is time for us to step outside our national psyche and ask how does the rest of the world look at Canada. Just maybe they see us as a very fortunate, large, rich country that has not been managing itself too well during the past couple of decades.

• (1620)

I think all Canadians must come to grips with the realization that we have to do better and it is incumbent upon us to make a lot better use of the God-given resources we have in order to manage our country and our affairs in such a way that we can protect the very social fabric that we have often talked about as setting an example to the world. We cannot in all conscience go on spending a great deal more money than we take in and not realize that somewhere down the line it is inhibiting our sovereignty, hindering our options and eventually will menace those very social programs of which we are so proud.

In 1971, when I first was elected to Ottawa and this place, the country's debt was less than $20 billion. Two years later, the gentleman whom some people call the Father of the Modern Canadian Deficit—I would not say that but some people indicate that it is the Leader of the Liberal Party when he was Minister of Finance—brought in an expansionary budget to attack inflation and high unemployment rates while the national deficit at that point reached about $24 billion. Since that time the finances of the country have steadily worsened at an alarming rate.

Mr. Milliken: Especially in the last four years.

Mr. MacKay: My hon. friend says especially in the last four years. Perhaps I should deal with that. In the last four years, despite very strong efforts which reduced the deficit year by year, it was not enough to cope successfully with the monstrous debt stock that the Government inherited.

Mr. Milliken: Nonsense.

Mr. MacKay: My friend knows, if he and I were in business and owed a million dollars and wanted to save the old family farm and the business, we would have to raise a lot of money every year. Let us assume the interest at that time was 10%. We would have to raise $100,000 every year in order to keep that $1 million from getting to the point where it might cause us to lose everything. This Government, being in that position, did its best, as he and I would do, to bring down the defict by raising more money and attacking the deficit. Unfortunately, despite our best efforts, the debt stock has continued to grow. That is the challenge that faces this Government, faces this country and faces all Members of Parliament.

We have to look at what our basic economic picture will produce if there are not some fundamental changes. I believe it is worthy to quote a very great Member of Parliament and our former national leader, Robert Stanfield, who added when he was speaking to this House on one occasion, that a Conservative must be concerned about the effects of economic growth, what it does to our environment, what kind of living conditions it creates, what is its effect on the countryside and what is its effect on our cities, whether all parts of the nation benefit or only some parts, and whether a greater feeling of justice, fairness and self-fulfillment results from this growth, thereby strengthening the social order and improving the quality of national life.

Mr. Stanfield further added that the Conservative tradition has been to interfere only where necessary, but to interfere where necessary in order to achieve social and national objectives. Perhaps this is an answer to my colleague from Montreal who raised a similar philosophic point on behalf of the Liberal Party.

It has been said more colloquially that the difference between a Liberal and a Conservative is that if a Conservative sees someone drowning in deep water, 30 feet off a dock, he will throw him 20 feet of rope and say: "Struggle over, grasp the rope and we will save you". If a Liberal is confronted with this pathetic situation, he will throw 40 feet of rope to the unfortunate person and when he grasps it the Liberal will let go, run away and find another good deed to do. There are different ways to look for solutions for people in trouble.

Loyal to our traditions, a Progressive Conservative Government has proposed in this particular Speech from the Throne several measures aimed at achieving social and national objectives. This is not a Christmas tree approach that we have taken. Some Governments in the past have done this, but ours is rather a thematic approach. We have made a commitment to building a stronger economy, to protecting our environment, working toward a caring and compassionate society, fostering the values that make Canada unique and, of course, a commitment to national unity. I am very proud to be part of a Government which, in the Conservative tradition, strives to ensure that all regions of the country benefit from a healthy economy.

I am particularly pleased about our Government's commitment to Atlantic Canada and the continuation of funding for the Atlantic Canada Opportunities Agency and ensuring that the Government's procurement policies become increasingly responsible to regional considerations. The Agency in particular for which I am responsible is playing an essential role in the renewal of the entrepreneurial spirit in Atlantic Canada. Through a direct assistance program, through an advocacy role, its co-operation and co-ordination mandates, ACOA has already levered more than $2 billion of private investments and assisted in the creation of over 10,000 new jobs.

As Minister responsible for this Agency, I want to assure the House and colleagues that I will do my best to ensure that ACOA remains responsive to the region's needs through extensive consultation with the business community, academe, labour and all other interested parties. Many believe that ACOA should be encouraged to play a bigger role in assisting entrepreneurs to find new markets, to obtain adequate business management training, benefit from export opportunities arising from the Free Trade Agreement and, in other words, to help this country move into the 21st century by adopting new technologies, new techniques with help for all those who require it in the small and medium business sector.

The consultation process yet to be announced will aim to determine whether ACOA's policy framework is adequate or if it should be adjusted, as my colleague has suggested, to meet present and future challenges facing Atlantic Canada's entrepreneurs.

In closing, I look forward to the implementation of the Government's objectives as set out in the Speech from the Throne. As an Atlantic Canadian, I believe that economic and social measures such as the reform of the Unemployment Insurance Program, more responsive procurement policies, the work of ACOA, and working toward a national child care program will ensure that our region benefits from a healthier economy, therefore ensuring a better quality of life for all Canadians. At the same time I cannot resist putting on the record in the House one of my favourite quotes from a great American who, as part of that select group of Americans who helped to build that great republic, had pretty definite ideas on the role of government. Thomas Jefferson said:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. To preserve our independence, we must not let our rulers load us with perpetual debt. If we run into such debts, we must be taxed in our meat and drink, in our necessities and in our comforts, in our labour and in our amusements. If we can prevent the Government from wasting the labour of the people, under the pretence of caring for them, they will be happy.

There is some truth in that, although it was spoken a long time ago. While it is tempting for all of us to expect the Government to do a great deal to help, as well it should, there is also some truth in the maxim that any Government that is big enough to give you all you want is also big enough to take all you have got.

Mrs. Stewart: Mr. Speaker, I would like to respond to the Hon. Member's question about how Canada is seen in the rest of the world. It is my impression that Canada's reputation in the world has dwindled considerably in recent years. One of the reasons for that is Canada is seen to be more and more tied to U.S. policy.

However, referring to the Speech from the Throne, I was particularly distressed that in referring to Canada's reputation the Government does not give a substantive commitment to maintaining its current level of overseas development assistance and, in fact, increasing those levels as was set out as a commitment some years ago. The Government continues to fall back on that commitment. It is very important that the Government recognize that the amount of development assistance we give to the world is directly related to the economic health of this country. Canada is not a country that lives in isolation from the rest of the world. We are part of an interdependent global community.

• (1630)

Not only does our overseas development assistance affect the economic health of our own country, it also affects the security of Canada. Canada, along with other western nations, has held the notion of relating security to only East–West conflict situations. I would suggest that the Government look more closely at the fact that our greatest security problems are more on a North–South basis than an East–West one.

Overseas development assistance will affect security. Our assistance must be enhanced and increased, not decreased. At the very minimum, development assistance must be maintained.

The environmental impact of overseas development assistance is also important. The environment is important in Canada but environmental issues around the world also affect us here.

I would suggest that the Hon. Minister address these facts when he wonders what Canada's reputation is in the world today.

Mr. MacKay: Mr. Speaker, I wish to respond as follows: I think my colleague across the way raises some excellent points. I believe that our overseas development aid is very important and has a very high priority. I am one of those who would not, under ordinary circumstances, want to see our overseas aid curtailed. However, we must wait until we see what our fiscal resources are. I take the Hon. Member's observations very seriously. We should be targeting our overseas development aid as much as possible to environmentally sensitive areas to help ensure that countries that have identified clear priorities that benefit them greatly are assisted, not only with issues dealing with the environment but with food, with medical aid and with educational supplies.

I believe we have an excellent record in that respect and have spent well over $2 billion in this regard in the last period of time—

Mrs. Landry: It was $2.7 billion.

Mr. MacKay: My colleague informs me that it was $2.7 billion. On the other hand, I believe it is necessary for us to take stock of how other countries regard us, simply because we have so many resources and such a tradition

and such a capacity to improve ourselves and thereby pass along benefits to them through ODA that we can no longer afford to get ourselves in the position in which the moneys we pay to service past borrowings are restricting our options. This affects not only our ability to provide our own social programs, but if this trend is not checked, inevitably we will have to cut back on ODA.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Northumberland (Mrs. Stewart) have a further question or comment?

Mrs. Stewart: No, Mr. Speaker, I will take it up another time.

Mr. Mifflin: Mr. Speaker, I have in mind a comment and a question on the Hon. Minister's remarks. I note with great interest that the Minister spoke in glowing terms about ACOA which is very important, of course, to the Maritimes, and in particular to Newfoundland.

I had a recent briefing and discussions with the people concerned and, indeed, involved with the ACOA business. There is no question that while ACOA has done a tremendous job in helping the economy of Newfoundland, there is a particular aspect of it that is slowing down the good it can do. I would like to bring to the Minister's attention this legitimate concern, not one clearly for the subject of debate.

Quite frankly, I do not have with me the input numbers for the reduction of staff as a result of the previous combined efforts of the old DREE department and ACOA. Rather than treat it in input terms, I would like to relate to it in output terms.

If my memory serves me correctly, for account executives looking after this kind of business, one person can look after between 10 and 20 accounts. It has been brought to my attention that in the case of ACOA in Newfoundland, one account executive has the responsibility for about 50 accounts, well above what is normally expected. The end result is that those who are making application for legitimate grants, loans and assistance in getting the economy of Newfoundland off the ground do not have access to the kind of expertise and professional advice that was intended when ACOA was first set up. The end result is that there is a certain level of frustration and discouragement which could be ameliorated, if not indeed totally rectified, if this situation were to be looked at.

I would ask the Minister to comment on this and indeed to do something to rectify the situation.

Mr. MacKay: Mr. Speaker, I appreciate my colleague's comments and I will take them most seriously. I believe it is fair to say that ACOA, in its present configuration, is quite different from DREE and then later DRIE because decisions are intended to be made on a more expeditious basis in the Atlantic region. It is the only agency, I believe, at least east of Ottawa, that has that capacity now and has most of its resources and decision-making powers in the region it serves.

We do not wish to overly bureaucratize the agency. I think it is fair to say that in the short period of time it has been in operation, a tremendous number of offers have been taken up. In the Hon. Member's province, well over 3,000 jobs have been created and many more have been maintained.

I am not suggesting to the Hon. Member or to the House for one moment that the administration is working perfectly or that there is not room for changes and improvements, not only in the methodology but in the policies. Therefore, I will take that very seriously.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I am sure that you were somewhat taken aback, at least intrigued, by the response of the Minister of State for Science and Technology (Mr. Andre) to the question I asked today. Hon. Members will recall that the question was based on Connaught Laboratories, perhaps the largest pharmaceutical corporation in Canada. It is an historic enterprise, the place, after all, where Banting and Best developed insulin, one of the singular discoveries in Canadian scientific history. Connaught Laboratories, it has been reported, will be purchased by the Institute Merieux. The interesting thing about that institute is that it is owned by the French government.

At the same time, I referred in my question to the fact that Lumonics Inc. was to be purchased by a Japanese firm, Sumitomo Heavy Industries Ltd., and it should be noted that Lumonics is the third largest laser technology corporation in the world. It is a very successful research and development enterprise, as is Connaught, as well. Their expenditures on research and development are quite high as compared to those of almost any other corporation in Canada. Over 10 per cent of sales are invested in research and development.

There is another signal fact that ought to be referred to in respect to Lumonics and that is that one of the small impediments—and with this Government, I am sure it is a tiny impediment—is that Lumonics has based its success on a government-owned licence for the essential technology that has been the basis for Lumonics' success. The Minister rose and hemmed and hawed as if he did not know what was happening. I am sure that was the case. The matter was of such trivial significance to him he completely forgot; but he got himself together. He said he was talking to a Dupont corporate type who said they were going to build some new research in Canada. That comes as no surprise to anybody that Dupont will do a little bit in Canada. They will do a little bit in Canada whether this Government did anything or not. That is the nature of the chemical industry.

• (1640)

The significance of the demise of these two Canadian companies is far more important than any piddling amount of research that Dupont will do in its branch plants in Canada. Connaught was Canadian owned. Lumonics was Canadian owned. One of the problems for research and development in this country is that Canadian companies are where we find research being done. The difficulty Canada faces with respect to industrial research and development is that American and other foreign-owned companies do no research in this country. As an expression of gross domestic product invested in research and development compared with other countries, we do extraordinarily poorly.

One of the strong suits of this Government should be its understanding of the economy and commitment to competitiveness. One of the obvious characteristics of the modern economic world is that a country like Canada cannot continue to be dependent exclusively on its forests, fisheries and mines in order to continue to thrive economically.

There are a number of reasons for this, having to do with the necessity of sustainable development and increased competition from alternative sources and the resources which have meant so much to Canada. Part of it is due to the substitution of other substances and materials in manufacture for the materials that we have dug from the ground and cut from our forests. It is clear that if Canada is to thrive in the future, it cannot function exclusively on the basis of the exploitation of our resources. It must function by harnessing the intelligence and the creativity of its people. That is fundamental.

This is not a new discovery on my part, but it is certainly true that this is a discovery that has had little impact in this place. Much of what might be said in criticism of the Government could be directed at all Members of Parliament collectively. In our synergism with the press, we search for the short term answers for what happens in the storm outside or what will happen within the next year. Due to that short-term sight and the absence of a clear understanding of the significance of science, research and development, and because of the universal ignorance in the press and media of the importance of science, treated as if it were too arcane to be reported in simple terms, we have dug ourselves a very deep hole and must dig ourselves out very soon.

The Prime Minister was aware of the difficult straits in which Canada finds itself. Back in 1984, he said that his starting line was the technological dimension: Either we go into the game and become important players in the major leagues, or we will become a nation that will in its entire lifetime play in the Junior B circuit.

Why did he say that? He said that because Canada was bringing up the tail-end among the industrial nations with regard to its activities in the area of science, research and development.

In 1984, about 1.35% of our Gross Domestic Product was being invested in research and development. What is called "Gross Domestic Investment" in research and development was 2.3%, about one-half that of our major industrial competitors.

There are some other telling statistics. Not only have we not advanced a single decimal point with respect to percentage of GDP invested in research and development, we are falling behind other countries who recognized the necessity for a significant improvement in their research and development. We must produce the kinds of jobs that provide security for Canadians and that allows Canada the opportunity to make a significant contribution to peace and social security for others in this world. If one compares the period from 1971 to 1985, the United States rose 10 per cent. They were already high by comparison with us. In 1971, we were exactly where we are right now. Japan, in that period, has gone up 35%, Germany 20% and France 15%. You may say, Mr. Speaker, those are big countries. It is understandable that they are able to increase their investment at that rate, but if one looks at Sweden in that period, their percentage of investment in research and development has doubled. Their target is over 3% of GDP to be invested in research and development.

Look at the other parameters. If one looks at the rate of industrial investment in research and development, Canada ranks eleventh among industrial nations. There has been much said about Canada's high proportion of Government investment in research and development. Canada ranks ninth in Government-funded research and development. A significant aspect of our efforts in research and development is the number of trained personnel, the number of scientists and engineers that we have. We rank fourteenth!

An Hon. Member: Shame.

Mr. McCurdy: One may have expected that since 1984 in view of the eloquent remarks about research and development made by the Prime Minister, we would have had in response to his promise some significant advance in the direction of a 2.5% rate. In fact, we have not gone ahead a single one-hundredth of a point.

An Hon. Member: Shame.

Mr. McCurdy: If one looks at research and development expenditures by the Government since 1984, in real terms those expenditures have dropped by 3.5% in that period of time.

An Hon. Member: Another broken promise.

Mr. McCurdy: I do not want to take too much time with this, because everybody knows about it. If one looks at what the prospects are, should there be an increase in investment in research and development, one has to look at what our universities are producing. Are we going to have the personnel? Expenditures in the university have gone down. The Government has already cancelled $2 billion in expenditures for university operating costs over a five-year period of time. The universities are in a disgraceful state of affairs. Real investment in the universities on a per student basis has gone down by 11 per cent. We are already dragging our tails in respect to the percentage of the population that is involved in research and development. In the Throne Speech one would have expected to hear some type of clarion call that something more was going to be done than has been done in the past.

• (1650)

Let me pause for a moment in case there is someone on the Liberal benches that is as condemning as I am of the Government. Not only was the Liberal record worse, but it was a disgrace. Between 1971 and 1984 there were times when the percentage of GDP spent on research was as low as 1.0l per cent. It did not go up under the aegis of the Liberals. Not once did the Liberals have a five-year program for R and D in the universities.

When it comes to rhetoric, and when it comes to the mounting of organizational structures, the Progressive Conservatives have not done too badly. They are to be congratulated for the construction of a National Advisory Council on Science and Technology. They are to be congratulated for their program Innovation. They are to be congratulated for an increased number of scientific scholarships for university students. They are to be congratulated for an increase in investments in museums and that type of thing to increase the awareness of science. For all of that they are to be congratulated.

They might even accept a note of congratulation for having agreed to create a Parliamentary Committee on Science, Research and Development. That committee included a non-partisan group of Parliamentarians interested in science. One of the problems was that committee began to notice that we were getting an awful lot more B.S. than action. I am sorry to say that that committee met its demise. People wanted to decrease the number of committees, that that committee on Science, Research and Development was beginning to bring too much focus on science, research and development. People may begin to understand that research and development is important to the future of this country and to jobs for Canadians. Therefore, the committee was buried under a committee designation of something like industry, technology and northern development.

In congratulating my own Party and my own effectiveness in negotiation, the name has been changed so that at least it mentions science. It is a tragedy. At long last Parliament had begun to address the ignorance of the House about research and development, and had brought into focus the necessity for us becoming better informed about the fundamental importance of research and development to the future of this country.

As I stated earlier, one expected to find in the Throne Speech some indication that more was going to be done to improve this disgraceful record, and that something

would be done to counteract the deterioration in our possibilities for producing jobs where jobs must be produced in the technology and knowledge areas of industry and business. What does it state? It states that the National Advisory Board in Science and Technology has been created. It is doing fine, and it has done some nice things. That is all there is.

If there is one fundamental stupidity on the part of the Government, it is what it has done to our prospects for science, research and development as a result of the Free Trade Agreement. One only needs to refer to a couple of the tools that one might use to improve science research and development. One is to use strategic procurement. Under the Free Trade Agreement we could use strategic procurement if we were going to encourage research in the United States. We cannot say that we are going to provide that contracts be let to Canadian companies in order that they can develop the technology for Canadian purposes and have it directed to Canadian companies.

Where does research occur in this country? It occurs among Canadian-owned companies that are worth less than $150 million. The vast majority of research occurs in companies of such size. Northern Telecom is the only company in the whole country that invests more than $300 million a year in research. There are 21 such companies in the United States. We have said that any company in Canada worth less than $150 million can be acquired without review. If they develop new technology, that technology can be bought by the Americans without review, and the technology and the jobs go to the United States. But then, of course, we use subsidies. We are in the process of negotiating away those subsidies. What are we left with as the means and the levers for developing industrial research and development in this country? We have very little.

In the Throne Speech I had hoped to see some reference and suggestions as to what the Government might do to change this dreadful situation where we are falling further and further behind those countries with which we must compete.

I wish you were not rising now, Mr. Speaker, because I want to talk about what the Government is going to do to the transfer payments, and what it is going to do to the universities to make them even worse off than they are now. I know that you are interested in the subject.

The Acting Speaker (Mr. Paproski): I enjoy listening to the Hon. Member. However, I regret that his time has expired.

Mr. Mac Harb (Ottawa Centre): I commend the Hon. Member on an excellent speech. In some aspects he touched on research and development. I would like to ask him his views on education. The Government has not made a solid commitment to education, especially when it comes to the issue of transfer payments to the provinces. In our view, every dollar that the federal Government puts toward education should go toward education. In the past, it has been the practice of the provinces that that money put toward education never goes toward education. In fact, it goes toward other programs.

What is the policy of the hon. member's Party vis-a-vis the transfer payments? What is his Party's policy toward education?

Mr. Howard McCurdy (Windsor—Lake St. Clair): I know that you are very pleased, Mr. Speaker, that you will have an opportunity to be further edified.

There are two aspects of universities that are at issue. The Hon. Member referred to the operating support for universities through transfer payments, which is established program funding. The Government has cut this at a time when all of us in the House, who had given any thought at all to the situation in the universities, were saying that those transfer payments for post-secondary education should not be cut. Instead, action should be taken to ensure that the provinces paid their fair share, and that enough was provided at both levels of Government to ensure that there would be opportunity for our youth in the universities to prepare themselves for the technological future, and a future based on research and development used in a sustainable environmental manner.

There is also the issue of university research. What the Government and the Government before it has allowed to happen in universities is catastrophic. At the moment I am not going to dwell on the extraordinary debts incurred by students to go to university, but it is a shame that they should go into debt to go to second rate universities because the Government has failed to meet its responsibilities. Universities which cannot pursue research of high quality are losing its scientists because the Government has not paid any attention to the advice of its own National Advisory Committee on Science and Research which has stated that the amount of money provided to the granting councils of the universities should be doubled, and doubled within two years. That is

how urgent the need is. Subsequently, the rate of increase in investment in university research should be 1.5 times the rate of increase in the gross domestic product.

• (1700)

What this Government is doing to the future of Canada is a disgrace. It is a tragedy, and we face bad times if we think that we are going to provide jobs in this country as a branch plant economy dependent upon other country's technology for producing jobs here. Japan, the United Kingdon, France, Germany and the U.S.A. are not doing research and development to produce jobs in Canada. We have to do that ourselves.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Saskatoon—Humboldt (Mr. Hovdebo).

Mr. Hovdebo: Mr. Speaker, the Government has spent a lot of time and effort recently trying to convince us that we can depend on the private sector to take over the research and development which they are cutting out of the public sector. We have a lot of good examples of this; the reduction in funding to the National Research Council and other areas. Why do you say that the private sector will not take over that load from the public sector?

Mr. McCurdy: Mr. Speaker, I just said a moment ago that we do not expect the Japanese, the Germans, the French or the English to make investments in research and development to produce jobs in Canada. One of this country's biggest problems is the very high proportion of industry owned by foreign investors. What have we done? We have ensured that an even higher percentage of our key industrial enterprises will be opened up to the Americans and what prospects we might had of development and research in those areas.

Inevitably government has a role in its research laboratories, the National Research Council, albeit in co-operation with industry but not too short-sightedly so, to advance research and development and to fill the gap that is not filled by that big portion of industry which is foreign controlled, but what is happening? This Government unleashed an attack on the scientific establishment in government, the NRC has been robbed of funding, robbed of a mission and has become demoralized. This is something all of us hear constantly. There has to be a reorganization of the direction of a reasonable mission for government.

Having had this whole general area of government opened up to advance research and development, one of the things that was suggested last year to which both sides of this House agreed was to have a national mission in research and development akin to the space mission in the United States. It was in fact a government-commissioned study that showed that pursuing a hydrogen fuel mission for Canada would operate on Canada's comparative advantages, and would make it possible within Canada to get the same kind of push in the direction of increased R&D that space research provided in the United States.

What did they do? It should not be such a surprise that they got a little thing going there in Québec ignoring Alberta almost completely, and we have no true hydrogen mission in this country. Right now another interesting thing has happened. Lumonics was involved hydrogen research. It has now been discovered that by using surface catalysis, one can bring about the fusion of deuterium nuclei, and hence produce energy from that process. This is simple and unintensive technologically. Scientists say it is elegant as compared to sophisticated. What that means is that the tools are simple, and brains count a lot.

Something has happened which makes it possible for Canada at the same starting line to enter the race for practical hydrogen fusion technology. One would have thought that the Government would have embarked on a serious effort to test the practicability of this new technology if the experiment has been confirmed, and my understanding is that it has been. I wrote to the Minister and I suggested that the Minister take that initiative, but I do not expect much, we have had so little so far.

The Acting Speaker (Mr. Paproski): Questions and comments are terminated. Debate.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, it is an honour and a pleasure for me to speak to this House today in support of the Speech from the Throne which outlines our goals for the future of Canada. The Throne Speech set out five main objectives through which this Government plans to build a strong and a united country. Our plan calls for the building of a stronger economy, for the protection of our environment, for a caring and compassionate society, for the fostering of values that make Canada unique, and for a commitment to national unity. I believe the implementation of these objectives and the challenge we face together will not only strengthen our Government but the people of Canada as a whole.

Today I would like to have had the time to comment on all of these objectives. However, with time constraints, I will be limiting my comments to the one issue that I feel must be of prime importance if we are to be successful with the remaining four objectives.

I refer to the national debt. The people of Alberta and the people of Canada are growing more and more concerned about the increasing national debt. Since 1984, this Conservative Government has made a concerted effort to control that debt and has lowered the deficit in a slow but steady way. However, now it is time for stronger measures, and virtually everyone, politicians of all stripes, 89 per cent of Canadians, business leaders, even social groups, agree that something should be done to reduce the $29 billion a year deficit and the build up of the federal debt which now totals approximately $320 billion.

The Throne Speech offers Canadians from sea to sea a vision of the future, a vision of Canada that is confident, unified and strong. It is a vision of Canada that holds a unique identity among nations, a Canada that leads the world community with new ideas. It is a vision of Canada that is vibrant and progressive but also caring and compassionate.

• (1710)

As a country and as individuals, we as Canadians have achieved much over the years, but now it is time to build for the future, to attain this vision, and to eradicate our national debt.

Why is the deficit a problem? It is often said that a deficit can be used to stimulate a weak economy and essentially this is true if it is used only over a short time. However, when it is used indiscriminately and over a long term it becomes a millstone that makes it virtually impossible for a Government to function effectively. That is where we are headed.

The number one threat to Canada's future is our national debt. Large government deficits mean higher interest rates. It means less investment and fewer jobs. Each year that there is a deficit, the debt grows. That means more and more money must be spent to pay interest on the debt.

Today, 31 cents out of every dollar spent by the federal Government goes to paying interest on our debt. In the long run this affects the ability of this Government, or any other Government, to provide the programs and the services that we as Canadians have come to appreciate.

Some Hon. Members have expressed a fear for the future of our social programs. I also have a fear that our social programs will suffer if we do not work to lower the deficit. For instance, at the present time the Government spends more money on interest payments than on old age security, guaranteed income supplements, spouses' allowance, housing, health, education, and family allowances, all combined.

I am sure we are all in agreement that the time for action is now. We must secure our social programs for the future. Democracy itself may be the reason for the rise in government spending, a government response to the ever-increasing demand for public goods and public services.

Increased government spending is a reflection of our response to events in society, to our social obligations, and to our political pledges to each other. From money paid to parents of a new child to cheques paid each month to senior citizens, the spending activities of government touch every part of our lives from the time we are born until death. We eat bread produced with taxpayers' dollars. We wear clothing made by companies aided by grants. We live in homes financed by publicly backed mortgage funds.

Government spending helps us when we are sick. It provides the opportunity for education and it supports us when we are jobless. In Canada, government balance sheets are not simply facts and figures, a listing of contributions and distributions, they are a result of our collective wants. There is increasing pressure on political leaders to provide their citizens with these wants. The political reality is, however, that deficit reduction does not make good politics. However, I and a majority of Canadians know that something has to be done, and done now.

The public has now become aware of the implications of continuous overspending. It has elected this Government to ensure that the brakes are applied. This does not mean that our job will be an easy one. We must be decisive in our approach to debt reduction and we must educate our citizens on why it is necessary.

We know that not everyone will agree with the policies that are laid down, but it will be our job to ensure the transition between what was thought to be an endless amount of money and control of the national debt be thoughtfully proceeded with. This Government is fully aware that not everyone will agree with the policies that are laid down. I believe in this Government and its ability to rectify the situation. I believe that it has the capability to turn these dark times into good, sound economic times and restore a balance to government financing.

In Alberta there are 26 constituencies and today we have 24 Conservative Members in the House of Commons. Many people would have us believe that the Conservative rode to victory on the back of free trade. That may have been one of the reasons, but the reduction of the national debt most assuredly carried as much importance, especially in my riding, as did the free trade debate. I know from listening to the people of my riding that the grass roots re-elected this Government because they know that the national debt is the number one problem in this country and that this Government would, at the beginning of its mandate, take strong measures to attack that national debt.

How do we reconcile these two objectives: the national debt and a caring and a compassionate Government? Is it possible to bridge that gap? We have spoken about bridging a gap when we refer to a relationship between a parent and a child or between a reporter and a newspaper, but now we are looking at it between deficits and social programs.

Will those two become reconcilable, and where? On April 27, when my hon. colleague, the Minister of Finance (Mr. Wilson), brings in the Budget, I know that all considerations will have been given to these complex issues. We will still be considered a Government which is compassionate and caring, but a Government which is strong enough to face the realities of its responsibility. Canadians have told this Government that it is time to bring the national debt under control. This is the year, not next year, not two years from now, but on April 27, 1989.

Mrs. Sparrow: Mr. Speaker, I congratulate my colleague, the Hon. Member for Wild Rose (Mrs. Feltham) on her speech and her description of the importance of deficit reduction. Indeed I come from a riding in Alberta, and there it was the number one issue throughout the entire election campaign. My colleague also spoke about the Free Trade Agreement, but deficit reduction was number one out where I come from.

• (1720)

It is interesting to note that in 1967 when the Right Hon. Pierre Trudeau came into power, the debt was sitting at $18 billion and when he left it was at $220 billion. In fact, it was growing at approximately 24 per cent per year.

We did tackle the debt in 1984. We were able to cut our spending and bring the deficit down from about $38.7 billion to $28.9 billion. We talked about rising interest rates. Rising interest rates will not control inflation. We simply have to lower the deficit and the debt.

What my colleague said was pretty interesting. She said that 31 cents on every dollar the federal Government takes in, in revenues, goes to service this debt, and she was quite right. If we do not tackle it now, that will go up and up.

I want the Hon. Member to comment on one area. She spoke about a strong and united Canada and a national unity. Just prior to her speaking, I heard members of the Liberal Party talking about forward thinking programs and how they would unite Canada.

I wonder if my colleague might refresh the memories of our Liberal colleagues about what happened in 1981 with a program called the National Energy Program which zeroed in on one industry in particular and what happened to Western Canada under those forward thinking policies. Those policies devastated us. I would ask the the Hon. Member for Wild Rose what she has to say about what happened to Alberta and indeed to western Canada under that forward thinking program.

Mrs. Feltham: Mr. Speaker, I thank the Hon. Member for her question. When she said it was devastating, she summed it up and I do not think I can add anything further to that. The effect it had on Alberta was devastating.

Mr. Harb: Mr. Speaker, we all worry about the deficit and about putting government spending under control. Not one single Hon. Member here disagrees with some sort of control. The question is how to do this. Do we cut baby bonuses? Do we cut unemployment insurance? What programs do we tackle in order to reduce the deficit?

We in the Liberal Party introduced a package during the election campaign. We spoke about reducing the deficit through job creation, through infrastructure programs, through retraining programs, through investment in research and development, through investment in education, through combating illiteracy. Because of illiteracy by itself, company after company in the private sector has indicated that they are losing in the vicinity $10 billion annually.

The Government should be looking at those things. It is dandy to be talking about cutting the deficit, but there are other means available to the Government in terms of investment in the future of our children, investment in research and development, investment in education and investment in employment retraining, particularly for those who are in their forties and early fifties. We are interested in seeing the Government do something about those kinds of investments, and we will be watching fairly closely to see what will be done.

Dealing with the environment, if the past four years is any indication of what this Government will do, we are in for a rough ride. Of course Canadians voted for the Conservatives, but did they give a majority to the Conservatives in terms of popular vote? No, over 50 per cent of the people of Canada did not vote for Conservative programs and did not go along with the Conservative's ideas.

One must reflect on what we are doing for the future of Canada and what we are investing in the future of our children. We must talk about economic development. Trade by itself is a flashy issue. However, when talking about trade, a very important issue is putting infrastructure in place.

Look at what will happen to the infrastructure of Canada over the next 10 years. In the United States, infrastructure is the number one issue. The United States Government is trying to address that issue. What are we doing here in Canada in terms of investment in infrastructure or sewage treatment plants which, since 1984, have had not one penny put into them? Through one single area, investment in infrastructure, we can generate hundreds of thousands of jobs.

I know that there are many people in this room with municipal backgrounds. I will be watching closely to see what they will do. When they were in municipal politics, they all spoke about government investment in infrastructure. Now we will see delivery. Now we will see commitment.

It is great to talk about deficit reduction, but it is equally important to talk about productivity, education and training for older employees.

I did not want to ask a question because I already know the answer. We have been given a whitewash for the past four years and I hope we will not be given the same whitewash over the next four years. I will wait patiently to see what kind of programs there will be for the environment, infrastructure, education and combating illiteracy. Those are the four important issues I would like to see the Government do something about.

The future does not look too bright. We can tighten the belt, but it is important to make sure that we do not cut our throats at the same time.

Canada is a leading nation in the industrialized world. We have to maintain that role. We must carry on, and we can only carry on by investing in the future of Canadians. We can only carry on by investing in education.

Look at how much we are investing in education. Look at the number of people in Canada who are functionally illiterate. One in every five is considered illiterate.

Mr. Andre: We will be deaf too if you don't tone it down.

Mr. Harb: This is the area we have to tackle. We have to stop talking. It is time to start acting. I am not sure that there is any action. I am not seeing it.

Mr. Andre: There are microphones. You don't have to yell.

Mr. Harb: It is very challenging. I have yet to hear one single speech—

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear the comments of the Hon. Member.

Mr. Andre: From the parking lot.

Mr. Harb: Thank you, Harvie. I have heard speech after speech dealing with deficit cutting. I have yet to hear one single speech focusing on productivity. Those are the things we must concentrate on. It is not important at all to talk, it is far more important to invest in order to produce. The private sector knows that. We always talk about the private sector. We should bring the private sector into a partnership with the federal Government so that the Government may learn from it.

I have been involved in research and development—

The Acting Speaker (Mr. Paproski): I believe that questions and comments are now terminated and that we can call it 5.30.

• (1730)

The Acting Speaker (Mr. Paproski): It being 5.30 p.m. it is my duty, pursuant to Standing Order 50(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the subamendment. Accordingly, the question is on the amendment to the amendment of Mr. Riis.

Mr. Riis moved:

That the amendment be amended by adding the following words:

"and, specifically, that the House regrets the failure of the Government to provide adequate resources to deal with environmental crises and accidents; to regulate and enforce environmental laws; to monitor the state of our air, lands and waters; and to provide national standards of environmental protection".

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the subamendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the amendment to the amendment, which was negatived on the following division:

(*Division No. 2*)

YEAS

Members

Allmand
Anawak
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Butland
Catterall
Copps
de Jong
Dionne
Fisher
Foster
Gardiner
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Keyes
Kristiansen
Lapierre
Lee
Marchi
McCurdy
McLaughlin
Milliken
Murphy
Nunziata
Ouellet
Parent
Peterson
Pickard
Prud'homme
Robinson
Rodriguez
Speller
Stupich
Vanclief
Wood
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bélair
Berger
Black
Blaikie
Boudria
Broadbent
Callbeck
Comuzzi
Crawford
Dingwall
Duhamel
Flis
Gaffney
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
Manley
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Nault
Nystrom
Pagtakhan
Parker
Phinney
Proud
Riis
Rocheleau
Samson
Stewart
Turner (Vancouver Quadra)
Whittaker
Young (Beaches—Woodbine)—84

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Côté
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hughes
Jelinek
Jourdenais
Kilgour (Edmonton Southeast)
Landry
Larrivée
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
McLean
Mitges
Mulroney
Nowlan
Plamondon
Porter
Redway
Ricard
Robitaille
Scott (Hamilton—Wentworth)
Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Cole
Cook
Corbeil
Couture
Darling
de Cotret
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
James
Johnson
Kempling
Koury
Langlois
Layton
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McKnight
Merrithew
Monteith
Nicholson
Oberle
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Shields

Siddon
Soetens
St-Julien
Tardif
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard

Sobeski
Sparrow
Stevenson
Tétreault Thacker
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—140

• (1800)

The Acting Speaker (Mr. Paproski): I declare the amendment to the amendment lost.

Mr. Riis: Mr. Speaker, I rise on a point of order. If you were to test the House, you may find unanimous consent to apply the vote we just had to this vote.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Therefore I will declare the amendment lost.

Mr. Gauthier: Mr. Speaker, we may agree to apply the vote taken on the subamendment to the amendment, but we would like to hear whose amendment we are voting on and what happened exactly. Let us stick to procedure. I think the amendment has to be put to the House.

The Acting Speaker (Mr. Paproski): Mr. Turner, seconded by Mr. Gray (Windsor West) moved:

That this House regrets that Your Excellency's advisors continue to show indifference toward the economic and social well-being of lower and middle-income Canadians and contempt for Canadian democratic institutions by dishonouring commitments to the Canadian people with regard to the implementation of the Canada-U.S. trade deal, by abandoning Canadian farm, fisheries and forest workers, by ignoring the dangerous acceleration of concentration of corporate power, by refusing to act properly and firmly to assure public access to and the safety of the Canadian transportation system, by abdicating responsibility for health care, housing and senior citizens, by failing to protect the rights of minorities across Canada, by deserting the federal role in research, technological and economic development, and by circumventing the authority of the House of Commons with regard to the expenditure of public moneys and by presenting Parliament a program empty of anything save a clear desire to dismantle the Canadian social safety net while imposing an oppressive and inequitable fiscal regime.

The House divided on the amendment, which was negatived on the following division:

(Division No. 3)

YEAS

Members

Allmand
Anawak
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Butland
Catterall
Copps
de Jong
Dionne
Fisher
Foster
Gardiner
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Keyes
Kristiansen
Lapierre
Lee
Marchi
McCurdy
McLaughlin
Milliken
Murphy
Nunziata
Ouellet
Parent
Peterson
Pickard
Prud'homme
Robinson
Rodriguez
Speller
Stupich
Vanclief
Wood

Althouse
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bélair
Berger
Black
Blaikie
Boudria
Broadbent
Callbeck
Comuzzi
Crawford
Dingwall
Duhamel
Flis
Gaffney
Gauthier
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
Manley
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Nault
Nystrom
Pagtakhan
Parker
Phinney
Proud
Riis
Rocheleau
Samson
Stewart
Turner (Vancouver Quadra)
Whittaker
Young (Beaches—Woodbine)—84

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Côté
Crosby (Halifax West)
DeBlois
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hughes

Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Cole
Cook
Corbeil
Couture
Darling
de Cotret
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
James

Jelinek	Johnson
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Littlechild	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Mulroney	Nicholson
Nowlan	Oberle
Plamondon	Plourde
Porter	Pronovost
Redway	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
St-Julien	Stevenson
Tardif	Tétreault
Thacker	Tremblay (Rosemont)
Tremblay (Québec-Est)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—140	

The Acting Speaker (Mr. Paproski): Therefore, I declare the amendment lost on division.

Mr. Gray (Windsor West): Point of order—

Mr. Gauthier: Point of order—

The Acting Speaker (Mr. Paproski): Which one of the heavy hitters should I recognize?

Some Hon. Members: Oh, oh!

Mr. Gauthier: Mr. Speaker, talking about heavies, I would not use that word—

Some Hon. Members: Oh, oh!

Mr. Gauthier: Mr. Speaker, you did say "lost on division". I would like you to know that we did vote and the recorded vote said that we had indeed voted for that amendment—

Some Hon. Members: And lost.

Mr. Gauthier: —and lost, but not on division.

The Acting Speaker (Mr. Paproski): It being 6.05 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.05 p.m.

HOUSE OF COMMONS

Tuesday, April 11, 1989

The House met at 11 a.m.

Prayers

[*Translation*]

OFFICIAL LANGUAGES

TABLING OF EIGHTEENTH REPORT OF COMMISSIONER

Mr. Speaker: I have the honour to table the eighteenth annual report of the Commissioner of Official Languages, for the 1988 calendar year, pursuant to section 34(1) of the Official Languages Act.

[*English*]

Accordingly, pursuant to Standing Order 108(4)(a), this document is deemed permanently referred to the Standing Joint Committee on Official Languages.

* * *

UNEMPLOYMENT INSURANCE

TABLING OF "SUCCESS IN THE WORKS"

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table in the House in both official languages this Government's labour force development strategy entitled "Success in the Works".

* * *

UNEMPLOYMENT INSURANCE

STATEMENT BY MINISTER

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to rise this morning pursuant to Standing Order 33 to inform the House of the Government's new labour force development strategy.

A few moments ago I tabled two documents entitled "Success in the Works", a policy paper and a background paper on Canada's emerging workforce. These documents outline the policy and the rationale behind the labour force development strategy.

[*Translation*]

This strategy, Mr. Speaker, is aimed at preparing Canadians for the labour market of the 1990's so as to ensure that they will be able to adapt to an evolving work environment.

[*English*]

It is our goal to encourage in Canada a training ethic within the private sector. We will do this through a national skills development advisory board to provide us with guidance on the needs of the private sector, by increasing funding for greater human resource planning and selected industries and sectors and occupational associations and individual firms by doubling the funding for the industrial adjustment service which helps workers and their companies face technological change, major expansion or closure, and by increasing funding for the Community Futures Program which is now helping 201 small communities plan their own solutions to counter changing market conditions.

Through the labour force development strategy we will place a greater priority on entry level training by taking immediate steps to improve the apprenticeship program, quadrupling our support for co-operative education, and designing a new program for entry level training in emerging skill requirements.

[*Translation*]

We are also asking the provinces to match increased federal funding for programs which provide job skills training for social assistance recipients and so improve the job prospects of an additional 20,000 people on social assistance.

[*English*]

Another area where the Government can help unemployed Canadians is through the Unemployment Insurance Program. We intend to shift its focus from one of passive support to an active response built around training and job readiness. Unemployment insurance recipients will now have access to training programs and employment and counselling services earlier in their claim. Funding under Section 26 of the Unemployment Insurance Act, the fundamental training tool of the.program, will be doubled. Unemployment insurance claim-

ants with viable business plans will be able to capitalize their benefits to help defray business start-up costs.

[*Translation*]

When older workers lose their jobs, they face a much more difficult time returning to the workforce. They will benefit from the programs I just mentioned and from increased funding to employers who hire and retrain displaced workers.

We also intend to amend the Unemployment Insurance Act to make it more equitable, so that it reflects the changing work patterns of Canadians and responds to the Charter of Rights and Freedoms.

[*English*]

We will be proposing amendments to provide more flexible sickness and maternity benefits, more generous parental benefits, and extended coverage for the growing number of Canadians who choose to work beyond the age of 65. At the same time, the Government will be addressing fundamental concerns about the Unemployment Insurance Program.

The current minimum qualifying requirements in Canada's Unemployment Insurance Program will be extended from 10 to 14 weeks, to 10 to 20 weeks, depending on regional unemployment rates. In areas where unemployment remains high the qualifying period will not change. Also, we will eliminate the current repeater provisions to improve access to benefits for seasonal workers. However, we propose to increase the penalties for workers who quit without just cause, refuse a suitable job or are fired for misconduct.

• (1110)

Finally, the Government proposes to strengthen considerably the penalties for fraudulent use of the UI program by claimants and employers. Let me assure Hon. Members that there is no question of removing the unemployment insurance safety net for those who truly need it. At the same time, Canadians want a program and particularly the unemployed want a program that helps workers move back into the workforce.

The labour force development strategy will integrate income support for employment services with labour market programs and it will encourage greater private sector involvement. I will be tabling in the House the necessary amending legislation on the Unemployment Insurance Act in late June. I am confident that Members of both this House and of the Senate will study it with great care and will provide Government with their advice and support. Until that time, I will be continuing to consult with other partners, with business, with labour and with provincial Governments, all of which have a share in the future of the opportunities we are trying to build, on how we can best help prepare Canadians and help Canadians prepare themselves for the changes that are coming in the workplace of the future.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in 1984 and again in 1988 the Prime Minister (Mr. Mulroney) said he would not cut social programs, that social programs were a sacred trust. Today, once again, the Prime Minister has broken his word with this savage attack on the unemployment insurance system.

The Government is taking $1.3 billion out of the unemployment insurance fund and has not said how many workers will be affected, how many will lose their benefits, how many will go without unemployment insurance, and it has not said what regions will be most hurt by this policy. It is interesting to note that between 1984 and 1989, employment and training programs were cut by 30 per cent by the Government, from $2.2 billion in 1984 when the Liberals left power to $1.5 billion this year, 1989. That was a reduction of $700 million.

This morning the Minister announced that she is putting $800 million back into training programs, almost the same amount her Government took out during the last five years. Over the last five years, the Government created a severe problem in the area of training and skills development and now it is fixing this problem by going back to where we were in 1984. Unfortunately, the major difference and the great inequity in this plan is the manner of paying for these training programs.

In the past and up until today, labour market planning, development and training was paid out of the general tax revenue because these programs benefited the whole community. Now they will be paid for out of the unemployment insurance fund; that is, by the workers and by employer contributions. What does this mean? It means that all workers will pay for training without any assurance that they will benefit from that training. It means that labour-intensive industries will subsidize training for high-tech industries which are often capital intensive. It means that the slow growth regions of Canada will help subsidize the high growth regions. Workers in Atlantic Canada will help subsidize the development of high-skilled training in Toronto, for example. It means that low-paid service workers will help pay for the training of high-tech workers.

Under the present unemployment insurance program, workers and firms pay into a fund knowing that the money will come back to them in the form of benefits if they became unemployed, sick or pregnant. Now, under this proposal, they have no assurance that the money paid in will come back to them in their own regions.

For example, according to the program, $230 million will go for a national skills development advisory board. That is a good thing. It is a board that will give advice to the Government on skills development. However, I would have thought that this would have already been done by the civil servants in the Minister's own Department. This probably means that the Government will be rehiring the people who gave that advice in the past but who were fired, laid off or let go, but they will be paid with unemployment insurance fund money rather than general tax revenue.

Let us look at the $65 million for human resource planning. Again, it is a very good thing, but should that not have been done over the last four or five years? Once again, money will be used from the unemployment insurance fund, money that was available for workers when they were laid off, to pay for human resource planning within the Department of Employment and Immigration.

This proposal raises many questions which are unanswered. For example, will the Unemployment Insurance Commission control these new programs that come under the unemployment insurance program including resource development, the futures program and the like? Will they fall within the ambit of the Commissioners of the Unemployment Insurance Commission? What about part-time workers, a growing percentage of the workforce? How will they be affected by this policy?

A more serious issue is the half-baked approach to this proposal. It is half-baked because it is a proposal to take unemployment insurance money and use it for training skilled workers, but there is no policy to insure work for these workers and no policy to ensure that the work is more equitably distributed in all regions of the country. A labour force development strategy must be combined with a full employment policy, with an industrial strate gy, with an effective regional development policy, a policy for research and development and a policy for post-secondary education. The program announced this morning says nothing of those things.

It is interesting to note that only a few years ago during the last Parliament, through Bill C-96 the Government again savagely cut back on assistance for post-secondary education, programs which go in the same direction as training programs that are talked about in this policy. The Government will train workers, but it is not sure how they will benefit or how they will find employment. Will there be jobs for them in places other than the Golden Horseshoe area around Toronto? How will we ensure that these workers who will be trained will find jobs?

We must recognize that the great growth in jobs since 1984 has been in the service sector where there is low pay, no unions and low benefits. What does this program do for those workers, particularly for those who work over 15 hours a week and must pay into the unemployment insurance fund? Those numbers are growing. How will they benefit from this program? It seems to me that these workers will be subsidizing others' training programs.

Nor has the Government explained how those who are cut off unemployment insurance will pay for their groceries and rent while unemployed. It is clear that the Government is shifting this burden to the provinces, but it has not yet consulted with the provinces with respect to this program and it has made no commitment to the provinces to help them pick up this burden which will have to be covered by the social assistance programs of the provinces.

This is another example of Tory flimflam politics. Before the election, the Tories had the deficit under control and were spending money like profligate children. They promised $22 billion in commitments in the pre-electoral period. They spent over $100 million in the Lac-Saint-Jean byelection. They poured hundreds of millions of dollars into the Manicouagan riding in the years prior to the election. They did this with the biggest tax grab in Canadian history. Now, all of a sudden, after the election, there is a crisis with the deficit. Who is the first to pay the bill? It is the Canadian worker and his unemployment insurance fund.

Interparliamentary Delegation Report

• (1120)

[*Translation*]

Mr. Speaker, during the election campaign, the Prime Minister (Mr. Mulroney) said, and I quote, "There is absolutely nothing that will prevent the Government of Canada from maintaining all its social programs, all its regional economic expansion programs, absolutely nothing! We absolutely will maintain all our social programs in full."

Mr. Speaker, once again, the Prime Minister has forgotten his promises and attacked Canadian workers with this policy of cutting unemployment insurance.

[*English*]

I make a commitment today that we in the Liberal Party will fight against this plan with all the resources at our disposal. The Government is in for the fight of its life!

Some Hon. Members: Hear, hear!

Mr. Ron Fisher (Saskatoon—Dundurn): Thank you, Mr. Speaker. We in this House of Commons have just witnessed one of the largest thefts in Canadian history. After the last election, the Prime Minister (Mr. Mulroney) promised Canadians they would be protected from the worst effects of free trade. The Government promised it would provide adjustment and training programs for people who lost their jobs. Well, the Dalton Gang of Brian and Michael and Barbara have just strapped on their six-guns and ridden into town to loot the Unemployment Insurance Commission vault.

Canadian workers do not object to paying their UIC premiums because they know it is an insurance policy and insurance fund that will guarantee them some dignity if they lose their jobs. With this program, this Government is robbing Canadians of that dignity. The Department has admitted that many Canadians will lose 10 weeks or more of benefits, even in places where unemployment is 10 per cent. Thousands of Canadians who can claim unemployment insurance today will not be able to after this program is passed. Thousands of Canadians will see their claims expire and be forced on to welfare, which will be an additional cost to the provinces of this country.

What is the Minister doing with the money she is looting from the unemployment insurance fund? Well, she is going to make more money available for parental benefits. The Government deserves no credit for this. It is being forced into this by the courts, not because itwants to or thinks it is right. It proved that when it appealed the court's decision to grant parental benefits.

The Minister says they are going to use some of the money to encourage "the training ethic in the private sector". Why should unemployed people pay for an enhancement of the training ethic in the private sector? It is the failure of the training ethic in the private sector that created the problem of work shortages in the trades. Training ethic in the private sector, indeed.

The de Grandpré report had some ideas about encouraging training in the private sector. It called for a levy-grant system which would force business into injecting some of its own money into training. But this Government will never do that, not when it can steal money from working people. It is putting more money into what it describes as helping social assistance recipients.

I come from the Province of Saskatchewan where it seems this whole idea was hatched. I have seen how the government program works. What the Government is really talking about is forced labour, work for welfare, work or starve. Who are these people? They are the Canadians least able to protect themselves and most deserving of Government help.

I can tell this House that the raid on the unemployment insurance account is only the first raid. In the Department's report, it says:

> Changes to the way the unemployment insurance program is financed will be announced by the Minister of Finance in the forthcoming Budget.

That means the Government will stop paying for regional extended benefits. It will be shifting billions of dollars worth of costs from Government contributions to premium contributions. In other words, it will be taking its deficit reduction off the backs of working people as well as its training programs.

This is a betrayal of the working people of Canada, and there is no way that the New Democratic caucus can support this.

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

TABLING OF FIRST ACTIVITY REPORT OF CANADIAN SECTION OF FRENCH SPEAKING PARLIAMENTARIANS INTERNATIONAL ASSOCIATION

Mr. Nic Leblanc (Longueuil): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the first report of theactivities of the Canadian section of the *Association internationale des parlementaires de langue française*.

[*English*]

SENIOR CITIZENS COMMISSION ACT

MEASURE TO ESTABLISH

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-219, an Act respecting senior citizens.

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Riis: Mr. Speaker, the purpose of this Bill is to establish a senior citizens' commission to study and identify the needs of senior citizens in Canada. The commission would make recommendations to the Governor in Council with respect to the needs of senior citizens. We recognize that advances have been made in providing for seniors in Canada. There is much more that could be done and should be done. This would be a way to accomplish that.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

ARCTIC WATERS POLLUTION PREVENTION ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-220, an Act to amend the Arctic Waters Pollution Prevention Act.

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Riis: The purpose of this Bill is to transfer to the Minister of the Environment responsibility for the operation of the Arctic Waters Pollution Prevention Act. By Order in Council dated May 14, 1971, pursuant to Section 28 of the Act, the Governor in Council delegated certain of its powers under the Act to the Minister of Indian Affairs and Northern Development, the Minister of Energy, Mines and Resources, and the Minister of Transport. This Bill would transfer those powers to the Minister of the Environment in an effort to get more environmental consideration of developments in the North.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA WATER PROTECTION ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-221, an Act to protect water in Canada.

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Riis: The purpose of this Bill is to protect Canada's waters. This Bill would not only protect the water in Canada but would forbid the export of water in Canada by inter-basin transfers. This was an item of considerable debate in the last number of months. With the passing of this Bill, inter-basin transfer of water would be no more.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

• (1130)

FRUIT, VEGETABLES AND HONEY ACT

MEASURE TO AMEND

Ms. Lynn Hunter (Saanich—Gulf Islands) moved for leave to introduce Bill C-222, an Act to amend the Fruit, Vegetables and Honey Act (country of origin).

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Ms. Hunter: The purpose of this Bill is to prohibit the sale of fruits and vegetables unless their country of origin is shown on the said fruits and vegetables, on their container, or a sign placed near them. Consumers could then make more informed choices about the type of purchases they make.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

WORKERS MOURNING DAY ACT

MEASURE TO ENACT

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C-223, an Act respecting a day of mourning for persons killed or injured in the workplace.

Petitions

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Murphy: I rise today to introduce a Bill asking that April 28 of each year be designated as a day of mourning to honour all persons killed or injured in the workplace.

If this Bill passes we will recognize both the enormous numbers of people who are injured or killed while at work, and the great need for a new emphasis on health and safety in the workplace.

According to the latest Labour Canada statistics, one million people are injured in the workplace each year. Deaths from injury average nearly 1,000 each year.

Statistics for deaths that occur because of exposure to unhealthy working conditions are unavailable, because such deaths go largely unreported and uncompensated.

It is my sincere hope that the passage of this Bill will focus Canadian attention on the real need for greater workplace health and safety.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches—Woodbine) moved for leave to introduce Bill C-224, an Act to protect and enhance the quality of drinking water in Canada.

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Young: The purpose of this Bill is to protect and enhance drinking water quality in Canada. It provides opportunities for public involvement in making regulations and to set maximum permissible levels for contaminants and other substances in drinking water. The regulations would apply to both the public and private water systems.

Motion agreed to, Bill read the first time and ordered to be printed.

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

Mr. Neil Young (Beaches—Woodbine) moved for leave to introduce Bill C-225, an Act to amend the Public Service Employment Act (Staff of Members of the House of Commons).

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Young: The purpose of this Bill is to provide equitable treatment to the staff of Members of the House of Commons, including the staff of the Speaker of the House of Commons, when their employment is lost as a result of Members ceasing to be Members, by according them the same priority to be appointed to the Public Service that employees in the following offices now enjoy: the office of a Minister, the office of the Leader of the Opposition, the office of the Leader of the Government in the Senate, and the office of the Leader of the Opposition in the Senate.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

PETITIONS

PROTECTION OF HUMAN LIFE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have the honour to humbly present to this House a petition from my fellow citizens who humbly declare that at this time, there is no law in Canada to protect the lives of unborn children from conception to birth. Because they believe in the sanctity of human life from conception, they also believe in the necessity of a just law to safeguard the right to life of the unborn child and the right to be protected while it grows until it is born. They believe that it is our duty to protect life and they also believe in faith in our future and that this can only be guaranteed by showing respect for life, from the unborn to the elderly. They also believe that families and other groups or communities have the duty to develop various forms of support and shelter to assist future mothers in need. They humbly ask Parliament to draft and pass a law to protect life from the moment of conception, a law that would seek to save the life of the mother and the child at the same time.

[*English*]

POST-SECONDARY EDUCATION FUNDING

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36 on behalf of a number of Canadians who are concerned about the funding of post-secondary education.

The petitioners are of the opinion that the result of lack of proper educational funding has resulted in increased university tuition, over-crowding of classes, and deteriorating educational facilities. The petitioners believe that this results in Canadian students leaving post-secondary facilities with staggering debt loads. They ask Parliament to consider the advisability of increasing funding for post-secondary education in order to cover the real cost of maintaining accessible quality education for Canadians.

The Province of British Columbia does not provide any funding for post-secondary education, and relies totally on that which comes from the federal Government. This is obviously reneging on its commitment to post-secondary education.

[*Translation*]

REQUEST FOR SPACE AGENCY TO BE LOCATED IN VILLE SAINT-LAURENT

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition on behalf of the Ville Saint-Laurent Chamber of Commerce. In view of the fact that all the infrastructure required to create a suitable environment for the Space Agency are available in the riding, the petitioners humbly request that, in the interest of the country, the Parliament of Canada take the necessary steps to locate the Space Agency in the riding of Ville Saint-Laurent.

• (1140)

[*English*]

CONSTRUCTION OF NUCLEAR SUBMARINES IN VILLE SAINT-LAURENT

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I also have a petition pursuant to Standing Order 36 from the YMCA Seniors Neighbourhood Association in the riding of Saint-Laurent. The petitioners pray that the health of the people be made the priority of all Canadian parliamentarians. The petition is further to the request that the Government of Canada change its mind regarding the purchase of two nuclear submarines and grant that money to senior citizens.

[*Translation*]

REQUEST FOR CHANGE IN NAME OF CONSTITUENCY

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I also have a petition pursuant to Standing Order 36 from the residents of the Montréal sector of my riding.

They humbly request that the Parliament of Canada take the necessary steps to change the name of the riding of Saint-Laurent to that of Saint-Laurent—Cartierville for the benefit of all the constituents.

[*English*]

CONSTRUCTION OF NUCLEAR SUBMARINES IN VILLE SAINT-LAURENT

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have another petition from the senior citizens of Our Lady of Fatima Church in in the riding of Saint-Laurent. The petitioners request that the Government cancel the construction of two nuclear submarines and commit the money to research for AIDS, cancer and cardiovascular illnesses.

DISCRIMINATION BASED ON SEXUAL ORIENTATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am pleased to present this petition on behalf of constituents in my riding who are calling on the Government to amend the Canadian Human Rights Act in order to eliminate discrimination based on sexual orientation.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Peace River): Mr. Speaker, I ask that all the questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all the questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, April 10, consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her speech of the opening of the session.

The Address--Mr. Foster

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have this opportunity to join in the Address in Reply to the Speech from the Throne. I would like to speak about the agriculture industry in Canada since I believe that there is profound unease and concern with respect to exactly where the Government is going in terms of agriculture. The concern may have stemmed from the free trade deal which the Government passed last December and in commitments which the Government made with respect to removing oats from the control of the Canadian Wheat Board.

There is also concern with respect to the promise the Government made last November 10 concerning the provision of $850 million for drought payment. Most of those payments will not arrive until well beyond the seeding period this spring.

There is profound concern in the agriculture community with respect to exactly where the Government is going in all these areas. But perhaps the greatest concern is with respect to the question of free trade and the GATT negotiations. In looking at the document entitled: "Speech from the Throne" most farmers will find very little comfort. There are only three lines in it to suggest where the Government is going with regard to agriculture. It is stated in the document:

> Canada's efficient agricultural producers cannot compete fairly in a world in which trade-distorting subsidies wreak havoc with market disciplines, while bringing undue pressure to bear on the nation's treasury.

Surely, the Government should have more than this to say about the state of agriculture in Canada. It is interesting that one of the themes in the Speech from the Throne is " A Strong Economy". Yet there is no reference to agriculture in terms of that strong economy, even though 17 per cent of Canadians are involved in agriculture or the food processing industry in some way.

Under the theme "Preparing Canada's Future" there is no reference to Canadian agriculture. Under the theme "Jobs for Canadians" there was no reference to agriculture. I can understand why the Government did not want to discuss agriculture under this theme since just about a year ago there was a report that some 25,000 jobs in agriculture had been lost in the previous 12 months in western Canada alone. How much the figure is for the whole country is anyone's guess.

Under the theme "The Environmental Imperative" there is no reference to agriculture. Nor is there a reference to it under the theme "A Caring Nation". That is probably the greatest tip-off that the Government does not care and that it is certainly not concerned about the agony faced by thousands of Canadian farm families in terms of their debt and other problems.

Thus we are left under the theme "Canada's International Role" with the three-line reference to agriculture. Yet part of it is devoted to the suggestion that agriculture and farmers are an undue pressure on the Canadian Treasury.

The Minister of State for Grains and Oilseeds (Mr. Mayer) announced out of the blue a few months ago that he was removing oats from under the control of the Canadian Wheat Board. That has to be one of the most damning decisions that any Minister has ever made. He certainly has been damned for it.

There are some 24 Canadian Wheat Board advisory groups across western Canada, groups which are elected by the producers themselves. It is interesting to note that at some 22 of the 24 public meetings held by the advisory committees it was demanded that oats be reinstated under the Canadian Wheat Board marketing system. It is also interesting to note that at 10 of the meetings it was demanded that the Minister of Grains and Oilseeds be replaced.

One can see how effective the Minister has been in persuading these 24 advisory committees across the West that his decision with regard to oats was a good one. Clearly, this has to be some type of a pay-off to those in western Canada who are opposed to the Wheat Board. They are smaller groups but they have been opposed to it for years in terms of orderly marketing. This is clearly a pay-off to the big multinational grain companies who want to see the small exporters and the small individual operators out of the business.

It is interesting to note that as members of my caucus held a number of meetings across western Canada with the grain producers it is not now only the small individual farmer who will be hurt by this decision but small private enterprise exporters who will also be hurt since they will now have a secure supply of oats to export into the special niche markets in the U.S. This is something which they now have. We will actually lose this type of orderly marketing.

In Oak Bluff, Manitoba, at the producer committee meeting some 117 voted to see oats remain under the jurisdiction of the Canadian Wheat Board while 46 voted to have it removed.

Yet if we consider a place such as Wapella, Saskatchewan, we see that some 85 of those attending the Wheat Board Advisory Committee meeting voted to have oats reinstated—zero voted to do what the Minister wanted to do.

Clearly there is great unhappiness and concern with the Minister of Grains and Oilseeds and his cavalier method of removing oats from the jurisdiction of the Canadian Wheat Board with very little support from the producers themselves. I have not heard anyone say that his approach was the right one especially since he did not consult with the prairie pools or other farm groups. Of course, he was soundly condemned by the pools as well as the Canadian Federation of Agriculture which, in a resolution, demanded that oats be maintained under the authority of the Canadian Wheat Board.

• (1150)

This document does little to reassure farmers of exactly where the Government is going. The Government may argue that it did not really want to spell out its neo-conservative agenda until after the Newfoundland election. This only creates more concern for farmers. The Government will not spell out exactly what it is doing with agriculture until later because of the political fall-out from Newfoundland or other parts of the country. So we have to wait until the Budget comes down later this month.

I believe that there is great concern as well regarding the Government's direction with regard to marketing boards. We argued during the election campaign that marketing boards would be incompatible with the free trade deal because when you remove tariffs on processed foods, it is not possible for the Canadian processing industry to compete with processed foods coming in from the U.S.

Clearly that is exactly what is happening. The Grocery Products Manufacturing Association met recently with some members of our caucus and said,"We simply cannot compete, we told you this before the election, we told you this before the free trade deal went through and we are telling you now that the Government has to get rid of marketing boards or we will have to move our processing industry to the United States."

I am sure that the strategy of the Government is to blame the grocery products manufacturers and to blame GATT for the destruction of the marketing boards.

We believe that that is a real threat. Clearly when you look at the de Grandpré Report, that is the direction in which they are heading. They are saying that we should establish a two-price system for our farm products, marketing commodities like poultry, turkey eggs and the dairy industry. If it is impossible to establish a two-priced marketing system, then they suggest that the quotas be increased. Mr. Speaker, that scenario will ultimately see the destruction of the whole marketing system which, I understand, farmers in Europe and the United States admire very much. They would like to have a system where they are paid on the basis of their cost of production, a formula price which guarantees them an adequate return for their investment, for their labour, for their management. It is a system which has served Canadian agriculture very well.

I suggest that if we hadn't had controlled commodities in dairy and poultry during the past three or four years when prices have been very low for many other farm commodities, the scene would have been much worse than it is today. But clearly the signals coming out from this Government, from the de Grandpré Report, from GATT are that the Government has put the whole question of farm marketing boards, Chapter 11 of GATT, on the negotiation table. Only time will tell, but certainly the signals are very bad.

Mr. Speaker, I think it is significant that the President of the Canadian Federation of Agriculture, Don Knoerr, in a press statement on March 29, condemned the de Grandpré Report. He said in his press statements:

> It appears that the only concern expressed by the Council was that Canadian processors must be allowed to obtain their raw product at a price comparable to that in the United States.

He went on to say:

> It is hard to understand how the Advisory Council on Adjustment could, after listening to a few briefs from the processing sector, could conclude that the concerns raised by the Tariff Board were irrelevant, and that no consideration had to be given to measures that may be necessary to maintain a viable horticultural sector in this country.

Clearly the de Grandpré Commission Report was simply to say, we have to look after the processors, not the farmers, that is their problem. So I do not think, Mr. Speaker, there is a very great concern with where exactly this Government is going with regard to national farm marketing boards in this country.

I want to speak as well, Mr. Speaker, about the farm debt situation. Last year the agriculture committee made a number of recommendations with regard to this country's farm debt situation, and yet there was no reference at all to it in the Speech from the Throne. Our report last July indicated there was a $6 billion debt which could not be financed under current available Farm Credit Corporation programs, and yet in the Speech from the Throne we hear nothing.

The Ontario Federation of Agriculture put out a press statement a couple of days ago calling on the Government to be more concerned about the farm debt crisis. It pointed out that only $83 million of a $160 million fund established to assist farmers had been used, that only 253 Ontario farmers out of 1,148 that had gone before the Farm Debt Review Boards had received assistance, in spite of the fact that in 1988 farmers suffered a severe drought, hog prices were very low and interest rates increased dramatically.

We have seen very little action by the Government with regard to the debt situation in this country. We are now facing some of the highest real interest rates in the history of the country. With a 4 per cent inflation rate and a bank rate approaching 14 or 15 per cent, we are looking at real interest rates of around 8 to 10 per cent. Farmers cannot operate with real interest rates at that level.

So we are disappointed that the Speech from the Throne makes no provision for the farm debt situation, no new provisions for the very high interest rate that farmers face this year. The drought assistance will arrive too late and simply will not be of benefit to many producers. Furthermore, the Canadian Crop Drought Assistance Program, which was announced with great flourish last fall, has not been made available to farmers. Farmers have said that it has been one of the most confusing programs ever. Farmers were asked to make their application by March 15, but many of them had not received their application forms.

• (1200)

The headlines in many papers described the difficulties faced in that regard: "Drought Aid Assurances Ring Hollow for Farmers", "Drought Pay Disappoints". Those are just a few headlines from farm papers. Other headlines include: "Politicians Hear Drought Aid Frustrations", and, "Drought Aid Battle Drags On". Thewhole situation is untenable for agriculture in this country.

Therefore I want to move, seconded by the Hon. Member for Prince Edward—Hastings (Mr. Vanclief):

That the following words be added to the Address:

This House regrets that Your Excellency's advisers have failed to recognize the importance of agriculture to Canada's economy:

(1) by only making a three-line reference to agriculture in the Speech from the Throne implying that farmers are a drain on the national treasury;

(2) by removing oats from the jurisdiction of the Canadian Wheat Board without consulting with, or obtaining the approval of, the major farm organisations thereby adding to concerns that the Board will eventually be dismantled;

(3) by taking a position in the Free Trade negotiations which will lead to a weakening, if not the destruction, of Canada's orderly marketing systems in the grain, poultry, dairy and horticultural sectors, and by not providing adequate adjustment programs as evidenced by the de Grandpré Report;

(4) by failing to commence negotiations with the U.S. on an agricultural subsidy code so that farmers will not face U.S. countervail at the whim of U.S. lobby groups such as is now threatening Canada's pork producers;

(5) by undermining the viability of the beef industry by allowing increasing amounts of "no roll" (ungraded) beef into Canada from the U.S.

(6) by not providing any new initiatives through the Farm Credit Corporation to cope with the farm debt crisis and high interest rates;

This amendment sets out our concerns with the Speech from the Throne and the lack of action by the Government in that regard.

The Acting Speaker (Mr. Paproski): We will carry on with questions and comments while I look at the amendment.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I want to comment and ask a question of my friend, the Member for Algoma (Mr. Foster), who has served many years in the House and has a special interest in agriculture.

Of course, as is his job, he was critical of the Throne Speech and the Government's policy toward agriculture. However, I note that he was rather temperate and certainly not vociferous in his criticism. In fact, it is probably fair to say that his comments were rather half-hearted. I think he knows that no government in the history of this country has made a commitment to western agriculture equivalent to what this current Government has done over the past four years. I think he will be aware of the continuing commitment that the Minister of State for Grains and Oilseeds (Mr. Mayer)has made, coming forward with programs such as the Canadian Special Grains Programs I and II, which put $2.1 billion into the Canadian farm economy.

Now there is the Canadian Crop Drought Assistance Program, bringing another $850 million toward those producers in the country who have suffered as a result of the 1988 drought. It is an immensely complicated program that is taking time to put together. However, this is a situation where we have a choice between fairness and simplicity. In this case we are going to opt for fairness. We are going to do the program right to ensure that these moneys are distributed fairly and equitably across the country.

The Hon. Member talked about meetings of the Canadian Wheat Board Advisory Committee that were held in various places across western Canada. I believe the purpose of those meetings was to discuss proposals for quota review, whether the method of allowing farmers delivery should be changed from an acreage base to one based on production. It is true that there was extraneous comment about the matter of oats being removed from the jurisdiction of the Wheat Board, but the thrust of those meetings was to do a quota review. In fact, 77 per cent of the producers in my area are absolutely against those proposals for review being put forward by the Canadian Wheat Board Advisory Committee.

Does the Hon. Member and his Party favour those proposals for review which are being put forward by the Canadian Wheat Board Advisory Committee? Does he feel that the Canadian Wheat Board Advisory Committee is wrong in its recommendations, as indeed many producers feel the advisory committee was wrong in its criticism of the Minister in regard to the decision to remove oats from the jurisdiction of the Board?

Mr. Foster: Mr. Speaker, the Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson) outlines that the meetings with the Canadian Wheat Board Advisory Committee were held for a number of reasons. There can be no question about the general trend of those Wheat Board meetings when resolutions to reinstate oats under the Canadian Wheat Board marketing systems were passed at 22 out of 24 of the meetings, and resolutions calling for the resignation of the Minister of State for Grains and Oilseeds were passed at 10 meetings.

In all the years I have been a Member in the House of Commons I do not recall an advisory committee to a Minister and the Wheat Board, a committee that iselected by individual producers in an area, passing a resolution to get rid of the Minister whose agency it is supposed to be advising.

For instance, at the Weyburn meeting in the Hon. Member's area in southern Saskatchewan, a resolution that oats be kept under the jurisdiction of the Canadian Wheat Board was overwhelmingly passed, with only five voting against it. I believe there were 160 at that meeting and there was overwhelming support. I do not believe there could be any question about whether the vast majority of those producers were opposed to the proposal.

The Minister argues that oats represent a very small volume of the total exports of the Canadian Wheat Board. The concern is not only with the actual decision itself, which tends to favour the Minister's friends in multinational grain companies, but with the process. The Wheat Board represents a group of 140,000 to 150,000 producers. Surely it is a decision that should be made jointly with those producers, rather than by the Minister with whom there was no consultation, according to the prairie pool members whom we met. There was certainly no approval, and that is suggested in my amendment.

I believe the Minister is attempting to make some kind of pay-off or provide a benefit to his friends who are opposed to the whole system of orderly marketing, and to his friends in the multinational grain companies. It is not a decision that is flowing up from the Canadian Wheat Board Advisory Committee. Members of the advisory committee say that in the past couple of years, the Minister has never even attended one of those meetings. If he were to take this action, one would think he would at least consult with his own advisory committee. It is not appointed by him but by the individual producers throughout the prairie region. The advisory board should have a valuable input for the Minister. It is now being given through public meetings held this spring, but the Board should have been able to give it directly to the Minister before he made his decision.

• (1210)

The Acting Speaker (Mr. Paproski): I know how important this topic is so I will allow a very short supplementary question from the Hon. Member and a very short answer.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I am concerned that the wrong impression may be left by the Hon. Member, who knows full well that major farm organizations in Western Canada including the barley growers, the Western Canadian Wheat Growers,the United Grain Growers and indeed, many, many thousands of pool members, in fact support the Minister's decision.

This is a question which was open. There were arguments on both sides. The Minister made a decision. The Hon. Member criticises the Government for not putting a policy into the Throne Speech. Now that policy is in fact laid out by the Minister the Hon. Member is critical of it.

I would like to repeat the question I asked the Hon. Member which he failed to answer in his long-winded response. What is the position of the Hon. Member and of the Liberal Party in so far as quota review is concerned? That was the purpose of the Wheat Board meetings about which he is speaking.

Mr. Foster: Mr. Speaker, if the Hon. Member thinks that that is the way for the Government to make decisions with regard to the Canadian Wheat Board, that tells us exactly why Canadian farmers are very concerned. That is why the Government did not have a lot of support in many areas of Canada on its free trade deal. The people are concerned that the U.S. Government is putting pressure on the Canadian Government to get rid of the Wheat Board. It may become just one more token for the Minister to pass on to Carla Hills, proving that they are doing something to get rid of the Canadian Wheat Board.

The Acting Speaker (Mr. Paproski): I am sorry, I did not see the Hon. Member for Saskatoon—Humboldt (Mr. Hovdebo) rising. If he has a very short question, I will entertain it. Otherwise, the Hon. Member's time has expired.

Mr. Hovdebo: Mr. Speaker, I believe that the amendment that the Hon. Member put before the House is a limited litany of the shortcomings of the agricultural policy of the Government. I wonder why he did not include in it the fact that the Government has made no move to establish an income security policy which would give some security to Canadian farmers right across Canada.

Mr. Foster: Mr. Speaker, I suppose it is impossible, in one amendment, to cover every conceivable problem facing Canadian agriculture. Clearly the Hon. Member for Saskatoont-Humboldt (Mr. Hovdebo) has raised an important issue, one with which I hope the parliamentary committee will deal.

The items I mentioned in my amendment are just some of the most urgent problems with agriculture. Clearly the question of stabilization and income supportis an important one, but I did not add it to this list. There are many other items I could have added as well.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. In reviewing the amendment, I find it to be in order and I shall accept it.

Mr. René Soetens (Ontario): Mr. Speaker, it is a pleasure to rise today to address my colleagues in this House. Of course, the subject of my participation is the debate on the Speech from the Throne delivered by Her Excellency, the Governor General.

In order to participate in this debate, something which I clearly wanted to do, I had to go through a rather intensive job interview, much like all of us here in this House, for a period of some 51 days. I was in competition with four other candidates. In the end, the residents of Ontario riding, the voters, chose me as their voice here in this House.

As a new Member of Parliament for Ontario riding which is made up of the three municipalities of Ajax, Pickering and Whitby, it has been my displeasure to listen to those members of the Opposition here in this House, members of provincial legislatures across Canada and reactionaries across Canada continuously attack the prosperity that we in central Canada enjoy. Yes, my riding, Ontario, is sharing in that prosperity.

I could raise numerous responses to all of those reactionary comments, but I think it is sufficient to point out that during the last four years, Conservatives from Ontario supported the Government in its actions to correct the injustices foisted upon the regions of Canada by the Liberal Government of the previous 16 years.

More significant, however, is the point that when the Liberals were in the process of destroying the fabric of Canada during the 1970s and the early 1980s, Conservatives from Ontario sang a common refrain with Progressive Conservative Members of Parliament from across Canada in opposition. We were the only national Party speaking for Canada. Now, this Speech from the Throne reflects the continuing reality: the Progressive Conservative Party is still the only national Party.

I have listened to my colleagues on the government side relate the good things in the Throne Speech that will be received by their ridings back home. It comes as no surprise to me that the constituents of an Ontario riding have a very similar perspective. During the recent election campaign, I talked about the problems of the deficit, even if my opponents did not want to. In fact, they made spending promises as though we did not even have a debt, never mind a deficit.

At a recent public forum I had with my constituents less than two weeks ago, 80 per cent of the people present wanted the Government to reduce the deficit, to make programs more responsive to those areas in need and to take whatever steps are necessary to accomplish that goal. Yes, central Canada is very active, but I think it rather naive of people to think that inflationary pressures in central Canada will not affect them in their regions.

I would refer Hon. Members to an article in this morning's financial section of the *Globe and Mail*. It deals with a report by Statistics Canada, and I would like to quote one paragraph from it: "The price of new houses in Vancouver rose faster in February than in any other major city in Canada including Toronto, Statistics Canada reported". I caution all Hon. Members, if they think they are immune to inflation, to watch out.

• (1220)

Just ask the fireman, the policeman, the electrician, the steelworker or any other unionised employee if they are prepared to work for less in your part of Canada when the negotiation process they believe in and participate in clearly uses comparisons to lever their salaries up. Ask the banks, the civil service and corporations which have offices across Canada how difficult it is to promote people who live in the regions because they cannot afford to bring them to Ontario. Do you really believe that people in my riding with large $100,000, $150,000 or $200,000 mortgages can afford high rates any better than people in other ridings, or that small business in an Ontario riding is not affected by the bank rate? Of course it hurts, but at least this Government is trying to do something about it.

In the late 1970s and early 1980s, the Liberal Government of the day did nothing but spend money while mortgages increased or rose to 20 per cent and 21 per cent levels. All they did was spend, spend, spend, while farmers were evicted, businesses of all kinds went broke and homes were repossessed across Canada.

Need I remind this House of the infamous Finance Minister from Cape Breton whose Budget in the early 1980s was so bad that it had 49 amendments within months and was soon thereafter cancelled? His reward was to lead the Liberals in the Senate. The deficit must be reduced, and the Speech from the Throne clearly indicates that it will be.

In Ontario riding, we have very low unemployment levels. It hovers around 4 per cent, yet as can be witnessed in the local media, there are numerous jobs available. I have a copy of one of the newspapers distributed in the local media. It is called the *News Advertiser*. It is not known for its job opportunities advertising, but I have four pages of ads listing jobs that are available. Let me read some of the jobs that are available in my riding. This is just a sample. A nuclear medicine technologist; a landscape carpenter; a landscape maintenance foreman; kitchen staff and preparation cooks; journeymen; millwrights; management trainees; financial analysts; sales secretaries; drivers; production workers in the marine industry; menu clerks; hair stylists; receptionists; telemarketers; machine operators; accounting manager; assemblers; photographers; journalists; maintenance mechanics; electricians; mechanics. There are jobs for students. There are jobs for mature people. There are full-time jobs. There are part-time jobs. There are even jobs available, subject to retraining, for members of the Opposition when they are defeated in the next election.

Some Hon. Members: Hear, hear!

Mr. Soetens: It is too easy to collect unemployment insurance, and this program clearly needs to be responsive. It is not the role of the unemployment insurance fund to support people who do not want to work. If the money were used to retrain people to meet the job skills that are required, this 4 per cent level could be reduced even further. This comment was written prior to the speech this morning of the Minister of Employment and Immigration (Mrs. McDougall). I am happy to endorse the comments that she has put forward in an effort to make the retraining program work.

Some Hon. Members: Hear, hear!

Mr. Soetens: When one is served by 13 and 14-year-old students in fast food restaurants or not served at all in retail establishments because they cannot find anyone who wants a job, it says to me that the Government must take steps to match the labour force with the market. Fortunately, those steps were announced this morning and I look forward to their implementation.

Living in an urbanized area next to a big city brings with it many unique problems relating to the environment. All those industries create air pollution. All those people create garbage. All those people use our parks and preserves in such volumes that the use alone disturbs the environment. The household chemicals that go down the sink or the industrial effluent that ends up in the sewer ultimately ends up in the lake. When the beaches are closed because the coliform count in the water is too high, we need action. The Throne Speech promises us that action.

First and foremost, the expanded responsibilities of the Minister of the Environment (Mr. Bouchard) will ensure that environmental issues are fully considered in the course of decision-making. The Government is committed to further limiting the environmental impact of toxic chemicals through new regulations in the Canadian Environmental Protection Act. We will improve the quality of our water through new legislation. We will protect the fragile atmosphere of our Arctic regions. We will clean up the Great Lakes and the St. Lawrence, but more important, we will attack the land sites that cause the leachates that hurt the ecology.

Most significantly, the Government of Canada will encourage the expansion of Canada's environmental industry, along with the clean and environmentally efficient production process. The Government will create an environmental partners' fund which will finance initiatives promoting the production and consumption of environmentally sound products and encourage recycling programs. Yes, we will do something about our atmosphere. Whether it is negotiating an agreement with the U.S. on acid rain or working internationally to protect the ozone layer, Canada will play a leading role, just as we have done in the last four years.

Canadians have always placed a premium on tolerance and fairness. We care about the quality of life in this country for all of our citizens. We have always recognized our obligation to help the less fortunate both at home and abroad. The Mulroney Government shares in these values. Ironically, that is why the deficit is so important. We must address it to ensure our ability to maintain the quality of our social programs in the years ahead. That is why, despite our financial problems, we will continue to provide assistance to families and the elderly while directing greater assistance towards those with low incomes.

Income security is only one of the many challenges facing our society. The Government will introduce new legislation to reform Canada's legal system and sentencing practices. I only hope this results in swifter actions through the courts and punishments more suitable to the crime. We are going to review the Young Offenders Act, and if that results in those youths who choose to break the law being more appropriately dealt with, then I am sure all Canadians will cheer that action.

Some Hon. Members: Hear, hear!

Mr. Soetens: The Mulroney Government has a commitment to national unity and fostering the values that make Canada unique. We have achieved much in little more than a century. We have much to be thankful for and much to celebrate, and celebrate we shall in 1992, Canada's one hundred and twenty-fifth birthday.

The Government will also be introducing a new citizenship Act. As well, we will be establishing a new Canadian relations foundation. We will build upon the recent achievements of parliamentary reform. We will establish new conflicts of interest standards for all parliamentarians, and we will have a commission to recommend reforms to the electoral laws. When thousands of people are denied their right to vote because of the incompetence of an enumerator, clearly a review is in order.

The Meech Lake Accord must be ratified. The Senate must have restored to it some useful purpose, and at the same time it must not be allowed to interfere with the will of the elected House of Commons.

Undoubtedly there is much more that the Government can do and must do. Although not defined in the Throne Speech, I trust we will continue our commitment to our Armed Forces by giving them the equipment they need, including those nuclear-propelled submarines. I find it unacceptable that we would expect our Forces to work with anything but the best of equipment and the manpower training that goes along with it.

Finally, we in Ontario riding have been the participants of a very buoyant economy since 1984 and fully expect that this buoyancy will carry on. We are not looking for government hand-outs but instead readily hope that our contribution to Canada by numerous means, including taxation, will allow the Government to continue its regional development programs. We in Ontario riding fully realize that not until all of Canada enjoys the wealth of opportunity that we in Ontario have, can we say we are truly one nation. This government

program, through the Speech from the Throne, will continue to work toward that goal.

• (1230)

Mr. Hughes: I wish to make a few comments and also pose a question to my hon. colleague. He mentioned the Unemployment Insurance Program and the changes announced by the Minister this morning. I believe that they are important and necessary changes, and I am sure that many people in my riding will also find that so. These changes reflect the modern needs of our society today. They will help to ensure that all Canadians meet their own needs by using their own initiative, and also providing assistance when it is needed.

The program reinforces the use of private-sector training. That is through a program such as the Community Futures Program. In my riding there are two such programs, one in High River and one in the Crowsnest Pass region. They have a positive track record. I am pleased to see that this program has had an additional $50 million added to it.

My riding is very different from that of the Hon. Member. It is very important to help these small communities to develop a strategy for creating new jobs and employment within those communities.

Another commendable group of initiatives announced this morning will help those who find themselves unemployed to become employed again. The Government will provide 60,000 more people currently on unemployment insurance with an opportunity to gain retraining. There is an additional $350 million applied there. This works for the people in my riding of Macleod. It works in communities such as High River, Fort Macleod, and the Crowsnest Pass region.

Does my hon. colleague find that this is true in the riding that he represents? Is that true in the Towns of Ajax, Pickering, and Whitby? If that is so, then this is a program that is both flexible and adaptable to the needs of all Canadians.

Mr. Soetens: I must agree with the Hon. Member and concur that the announcements this morning will offer tremendous opportunities to the people of the riding of Ontario.

There are numerous jobs available in my riding. There are also numerous people who are collecting unemployment insurance. In various discussions with unemploy ment insurance offices, the problem that appears to exist throughout the riding is that they cannot match the skills to the jobs available. I found it encouraging to hear the Minister announce this morning that there will be increased training emphasis to address that inequity and bring those people who are looking for jobs to the jobs that are available.

There are a number of ways to do that. One of the ways is through counselling. Many people who choose to move to the riding of Ontario from other parts of Canada come with certain expectations, and do not know where to go to look for the variety of jobs available. Improved counselling facilities for those people will be excellent.

One of the best items is the attack on fraudulent claims. That alone will encourage many people to return to the workforce.

Mr. Parker: I wish to question the Hon. Member for Ontario on some of the comments that he made. I hope he realizes that in other parts of Canada, particularly western Canada, there are very serious problems. When he talks about the employment opportunities in Ontario, I wish to tell the Hon. Member that in my riding of Kootenay East, real estate agencies are advertising a $500-bonus for someone to pick up fairly new houses. A $500-bonus is being offered if they will pick up the mortgage on these houses. That is the type of thing going on in my riding.

We have a Community Futures Program which is attempting to establish new businesses. This group is very active and is working very closely with communities and civic leaders to bring about some developments in the area. It cannot find any entrepreneurs who wish to become involved.

Is the Hon. Member suggesting that the unemployed in the area should leave their homes, as they have had to do in my riding, and offer someone $500 to buy their homes in order that they can move to Ontario and pay $200,000 or $300,000 for a home in order to get a job that the Hon. Member is suggesting they may be able to find?

The Hon. Member also talked about a caring society and the environment. I wish to ask the Hon. Member a question with regard to the environment. In my riding there is a pulp mill which is exceeding the level of emissions allowed. Crestbrook Forest Industries is entering into Alberta for a $1.3-billion expansion. Yet in myriding it is exceeding the emission level allowed from its pulp mill.

I have met with representatives of the Department of the Environment with regard to this. For the first time in North America this company is burning in a beehive burner the caustic chemicals coming out of its pulp mill. At the present time the only place that that is being done is in Russia. I have asked the Minister to investigate this, and to date I have not received a response. Are the lakes in Ontario the only places that the Government is considering cleaning up?

We have received a request from the environmental council of Helena, Montana. Residents of northwestern Montana have expressed concern over the burning of caustic chemicals in an open burner.

Mr. McDermid: What do the provincial regulations state?

Mr. Parker: It is not a provincial regulation. If we are talking about cleaning up—

The Acting Speaker (Mr. Paproski): Order, please. There are two more questions here. If the Hon. Member would put his question, there will be time to recognize two more Members.

Mr. Parker: This is the first time in North America that this type of pollution is taking place. Caustic chemicals are being burned in an open beehive burner. I have asked the Minister to investigate it. Under this new proposal of cleaning up the environment, the Hon. Member has stated that the Minister is prepared to take action in central Canada and in Ontario, but he is not prepared to take action in western Canada. Will the Hon. Member express concern for all of Canada and not only for his riding of Ontario?

Mr. Soetens: I believe there are two questions, one relating to the environment and one relating to economic activity in the riding of my colleague. I wish to respond to the environmental question first.

The Government has been world-recognized for its leadership in environmental programs. During the last term of the Government the Canadian Environmental Protection Act was passed. It clearly will deal with toxic emissions. If the Member had read the Speech from the Throne, or had been listening, he would have heard that the Government has committed itself to limiting further the environmental impact of toxic chemicals through new regulations in the Canadian Environmental Protection Act. The Government has addressed this point, and it applies across Canada and not only in my riding.

The Hon. Member also makes the point of things being good in the riding of Ontario, and he asked whether we have no concern about the riding of the Hon. Member. I wish to repeat my closing statement, in case the Member did not hear it.

We are not looking for government hand-outs, but instead hope that our contributions to Canada, by numerous means, including taxation, will allow the Government to continue its many regional development programs. We in the riding of Ontario fully realize that not until all of Canada enjoys the wealth of opportunity that we in Ontario have can we say that we are truly one nation.

• (1240)

Mr. Pagtakhan: Mr. Speaker, I would like to make a brief comment on the theme "A Caring Nation" found in the Speech from the Throne and on the comments made by the Hon. Member for Ontario (Mr. Soetens).

The Liberal Party is indeed proud to have spent for the poor and the disadvantaged of Canada. We are proud of our record in that regard. I should also note that there were many Members from the Government side who lost during the last election and who would benefit from the retraining program to which the Hon. Member alluded.

Under the theme "A Caring Nation" it states:

> My government is considering the implications of the latest jurisprudence of the Supreme Court of Canada on the subject of abortion—

It is a political sin of omission on the part of the Government not to address this issue with great dispatch. In fact, it is one of the greatest human injustices of all times. More than one year ago Canada lost its law against induced abortion. The Government has not shown leadership on this critical issue. It has only continued to state that it will act. However, by its inaction the Government is responsible for leaving the country with an abortion-on-demand policy. The Government has too long delayed on this issue and, therefore, justice has too long been denied the unborn child. The Government cannot long continue to procrastinate. It must bring forward immediately the necessary legislation to protect the life of the unborn child.

I have two questions for the Hon. Member. In terms of the Race Relations Foundation, the purpose of which is to establish social harmony, I submit that so long as there is employment inequity there will be no social harmony. Will the Hon. Member pressure his Government to ensure that there are sanctions to federal Departments

which do not comply with the Employment Equity Act? Second, will he pressure his Government to bring in legislation on abortion before the summer recess?

Mr. Soetens: Mr. Speaker, I will try to respond to the Hon. Member's questions. I agree that there are problems in Canada concerning race relations and also perhaps inequity of employment opportunities. I can only reiterate that a statement made by the Minister of Employment not too long ago addressed successfully the concerns raised by the Hon. Member.

With regard to abortion legislation, I can only refer to the previous legislation which was rushed and hurried. Ultimately, the Supreme Court decided that it was flawed. I can only hope that when and if the Minister brings forward legislation it will be appropriate and that it will not be taken to the Supreme Court and proved to be flawed but that it will stand the test of the laws that are appropriate at the time.

[*Translation*]

M. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I welcome this opportunity to comment on the Throne Speech pronounced last week.

First of all, I want to say this is a very vague speech, although during the week we started receiving more specific information, this morning for example, when the Minister of Employment and Immigration (Mrs. McDougall) introduced a number of changes to the Unemployment Insurance Act, which are actually quite welcome, with a few exceptions.

Before commenting any further on the subject, I would like to say that I support the stand taken by my Leader (Mr. Turner) and the Prime Minister (Mr. Mulroney) that the notwithstanding clause in the Charter of Rights and Freedoms is in direct conflict with the spirit and the intent of the Charter. The House will recall what the Premier of Québec, Mr. Bourassa, did in that province just before Christmas, when Bill 178 impinged on the Anglophones' freedom of speech, specifically in the area of bilingual signs. I know what I am talking about, since Québec Anglophones have been denied that freedom. I am also very concerned as a Franco-Ontarian. However, I want to express my appreciation to the Peterson Government in Ontario for its recent statement that it would never impose that kind of legislation on Franco-Ontarians.

In the Throne Speech, the Government also made some allusions to reducing the deficit. Although they were just, I am very wary of any measure that will be taken to reduce this deficit. There are no specifics. There is a reference to budget cuts. I think we will just have to wait until the bills are introduced in the House, to find out what to expect.

The Government has again made a commitment to earmark certain sums of money for regional development.

If I may go back somewhat in time, the FEDNOR Program was announced in the spring of 1987. I imagine it was a calculated coincidence that we started seeing the colour of that money in the North only a few weeks before or at least not until the month preceding the election in November 1988.

At that time, $100 million was granted over a period of five years, which means $20 million per year. So far we have yet to see any of the $20 million the Government promised us. We are very aware of our isolation, being far from the main urban centres where the economic action is, and we in Northern Ontario intend to make sure we get our share of the pie, in order to help our small businesses.

There was also a reference to subsidies or grants or economic assistance for Native people. I wish the Minister of Indian Affairs and Northern Development (Mr. Cadieux) would visit the reserves in the North and the Arctic and see for himself the conditions in which these people have to live. I will talk about housing later on in my speech.

During the last ten years, we have been talking about political autonomy for Indians. Political autonomy is possible only if Native people are economically independent from the rest of Canada. The potential for economic development exists, but these people do not have the necessary financial resources to develop that potential within their own culture and in their own language, while still living in a cultural context they understand.

I spoke earlier about unemployment insurance, and this morning the Minister of Employment and Immigration (Mrs. McDougall) proposed a number of major changes. There are some positive aspects I would like to mention, especially assistance for older workers who are likely to have trouble finding employment, depending on the economic situation where they live.

Once a person has reached a certain age, it is always difficult to retrain for another job, and the Minister was right to help these people. Where I would like to make a few suggestions is on the subject of fraud. Mr. Speaker, everybody knows there are unemployment insurance profiteers who abuse the system, and the solution would be to appoint more investigators to track them down and bring them before the courts. The suggestion aimed at lengthening the qualifying period for entitlement is not necessarily good: keep in mind the handicapped, people who are not overly talentuous, or others who may be slightly retarded and you will appreciate that these applicants would certainly find it difficult to qualify for unemployment insurance.

• (1250)

The Minister should also consider the case of seasonal workers. To be more specific, an employee must work at least 15 hours a week to be covered. At the end of 20 weeks that employee would qualify for unemployment benefits, having worked 300 hours. What about someone who works 10 hours a week, 52 weeks a year yet does not qualify for benefits with a total of 520 hours of work? I feel that is an injustice which ought to be eliminated by the Government.

The Speech from the Throne refers to environmental matters, and it is obvious that popular pressure has struck a responsive chord in the Government. Suffice it to mention extremely positive aspects concerning toxic chemicals, the quality of our drinking water, and ozone layer protection; the idea is to protect the atmosphere and shield people who inhabit the Earth from harmful sun rays. Our forests is one sector where the Government has fallen short. All one needs to do is fly over Canada's northern expanses and see the ravaging effects of acid rain: ever more reddish spots, our evergreens are turning red because they are being choked by acid rain. Extremely important steps certainly could be taken in that direction. Suffice it to mention in passing that the forest industry is the largest employer in Canada, with one million directly or indirectly employed, a fact which should warrant the Government giving it a little more respect and priority.

Since I am on the forest industry, Mr. Speaker, let me send a very important message to this Government—it concerns the effect of the 15 per cent export surtax slapped on the lumber industry. In February 1989, the Northern Ontario Liberal caucus visited a number of cities. We heard 30 people who made representations on the impact of that surtax on the lumber industry. Let me say only that right now, in Northern Ontario only, five sawmills are shut down. This has meant the loss of 900 jobs, and a number of industry owners and managers told us that currently, a number of mills are operating at a loss or at cost. Combining the exchange rate now estimated at 15 per cent on the Canadian dollar relative to the U.S. dollar, and the surtax, we see Mr. Speaker that the industry is operating with 30 per cent less income than it was on December 30, 1986, when the tentative agreement was signed with the U.S. Trade Department.

I think the Government is extremely aware of the importance of that surtax. Since the damage has been done, would the Government not consider repealing that tax, with the 30–day notice provided for in the Free Trade Agreement, and let the Americans take their countervailing action, that is go before the GATT and attack that tax.

The industry has clearly shown that it too would be ready to help eliminate this tax, even with the aid of an international tribunal, as was suggested to us during our hearings. Surely it cannot be worse that the present situation. We have everything to gain by eliminating this tax.

A few moments ago, my colleague spoke about abortion. I fully agree with what he said to the effect that the Supreme Court a few weeks ago. . . and I would have much preferred that it render a decision on the Borowski case to establish once and for all whether a fetus is a human person from the moment of conception. In my mind, there is no doubt about it, but since we have to live in a country where the Supreme Court is the final authority on any dispute, I am prepared to wait, but I expect the Government to take the necessary action to prevent abortion on demand.

Mr. Speaker, we could also talk about what is not included in the Speech from the Throne, especially the Canadian Government's approach to the U.S. Commerce Department regarding the definition of a subsidy. Everyone knows that this definition will have a major impact on the whole Canadian economy. If the Americans consider a subsidy for small Canadian industries or small businesses to be unfair competition, can you imagine, Mr. Speaker, the impact that will have on our country? We are only 26 million people. Obviously, the number of companies is proportional to the population of Canada compared to the United States and we have an extremely big country geographically. There are wide open spaces between the towns and villages of our land.

Mr. Speaker, I want to deal with the problem of transportation in Canada. Many industries are subsidized for the distance goods have to be shipped, in order to remove any regional disparities that might exist.

Let us also talk a little about housing. In his budget cuts—which have already begun, by the way—I am referring here to RRAP, the Rural Rehabilitation Assistance Program, the former Minister of Housing, whom I see across the aisle, did not see fit to give more money to help poor people repair their houses and renovate, especially in isolated regions.

I just spoke about native people. As far as housing is concerned, one has only to visit remote reservations to see the atrocious conditions in which these people have to live. I am convinced that no one in Canada deserves such a fate and that more money should be given to Indian reservations so that they can provide proper housing for their residents.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member will have three minutes left plus comments after three o'clock. Point of order? The Hon. Minister of State.

Mr. McDermid: Mr. Speaker, it was my understanding that the House sat until 1.25 o'clock today because of Statements by Ministers. If I am incorrect I will be happy to break for lunch.

The Acting Speaker (Mr. Paproski): The extension continues only when we reach Government Business. The Throne Speech is not Government Business.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1.01 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

UNEMPLOYMENT INSURANCE

REQUIREMENT FOR LONGER QUALIFYING TIME IN AVALON, NEWFOUNDLAND

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my statement concerns the requirement for people in the Avalon region of my riding to have 16 weeks of qualifying time for unemployment insurance benefits increased from the normal requirement of 10 weeks due to the regulations that cause certain things to happen when the unemployment rate drops below 11.5 per cent.

Notwithstanding the Government's new labour force development strategy that was tabled here this morning, my concern and that of my constituents is that the qualifying time has increased while the employment opportunities have not. Of the three UIC regions in Newfoundland, the Avalon region is largely driven by the employment opportunities in the urban area of St. John's. Specifically, the unemployment rate there is in the order of 8 per cent while in other rural parts of the region the rate is more than double, approximately 19 per cent. Yet all recipients are being treated the same. They require 16 weeks instead of 10.

Those outside St. John's have enough trouble obtaining 10 weeks. How can they now be expected to get 16 weeks? They are being devastated.

I have written the Minister of Employment and Immigration (Mrs. McDougall) in more detail and her staff would be aware of this concern.

May I ask the Minister in the strongest terms that the Avalon UIC region in Newfoundland be separated immediately into urban and rural so that UIC recipients in the rural area where unemployment continues to be high can be treated more justly and fairly and in consonance with the employment opportunities available.

* * *

NATIONAL WILDLIFE WEEK

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I would like to urge Canadians to celebrate National Wildlife Week, April 9 to April 15, by taking part in conservation activities across Canada.

S. O. 31

National Wildlife Week was proclaimed in 1947 to raise awareness about the problems affecting wildlife and its habitat and it is just as applicable today. In recent years, many private organizations have joined with Gov ernments to focus public attention on the threats facing wildlife by organizing such activities as nature workshops, wilderness trips, film festivals and special exhibits.

Although the challenge to reverse and prevent damage to our precious wildlife heritage is daunting, the task is one in which Canadians from all walks of life can participate. I urge Canadians everywhere to join with a local conservation organization and participate in wildlife conservation activities throughout the year.

Let us do all we can to make every week wildlife week in Canada.

* * *

HEALTH

SAFETY OF MINE WORKERS

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, last week in Timmins another miner was killed on the job. This accident is the second such tragedy in the same community in the last two months. While safety remains an overriding problem in this industry, the Government's attitude has been unacceptable.

At the upcoming meeting of the federal and provincial Mines' Ministers, the stated first priority for discussion is to be "maintaining the competitive edge".

I call upon the Prime Minister (Mr. Mulroney) to give the mines portfolio a Minister of State for Mines so this important area will receive the attention it deserves. I call upon the Minister of Energy, Mines and Resources (Mr. Epp) to change the agenda for the August Mines Ministers meeting so that safety for mine workers becomes the priority of the Government. I also call upon all Members of the House to support the Private Members' Bill introduced today by my colleague, the Member for Churchill (Mr. Murphy), calling for a national day of mourning for workers killed in the workplace. Workers' lives should not be allowed to pay for corporate profit.

[*Translation*]

Mr. Speaker, our miners have no use for yet more studies. The research has been done and the recommendations have been made. Now is the time to act responsibly and protect the health and safety of Canadian miners. The Government should give top priority to safety in the mines.

Action is what is needed, Mr. Speaker!

[*English*]

RESEARCH

USE OF ANIMALS FOR TESTING

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, animals have been used for centuries as living tools for the achievement of human knowledge. An estimated two million animals a year are used for research in Canada.

Although there are areas of medical research where animal testing might be necessary, many uses such as testing cosmetics, furniture wax or paint cause unnecessary pain. Animals too often suffer for questionable human gain.

It is unacceptable for animals to be sacrificed for our vanity and it is time that we asked ourselves if the end justifies the means.

I urge the federal Government to encourage research by finding alternatives to senseless animal testing where possible.

Mr. Speaker: I want to bring it to the attention of Hon. Members that I am obliged to make sure that statements stay within the 60 seconds as set out in the rules.

* * *

[*Translation*]

CANADA POST CORPORATION

BILINGUALISM

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the annual report he has just tabled, the Official Languages Commissioner sounds the alarm in connection with bilingualism at Canada Post: under the privatization program of the Conservative Government opposite, franchise operators offer postal services and this is a threat to bilingualism at Canada Post Corporation. The Official Languages Commissioner tells us that the least we could expect would be to have franchise operators sign contracts and make formal commitments with Canada Post with a view to providing bilingual services.

Better still, Mr. Speaker: Why not do away right now with the postal service privatization scheme so that once and for all we would be sure of bilingual services at Canada Post, just as it has always been the case? That is the only solution to the Canada Post bilingualism pro blems.

[*English*]

NATIONAL SOIL CONSERVATION WEEK

Mr. Ken Monteith (Elgin): Mr. Speaker, I rise today to bring to the attention of the House that this week is National Soil Conservation Week.

Canadian farmers know that good soil is an important element in producing the quality food products for which Canada is famous. The Government is to be commended for establishing programs such as the Soil and Water Environmental Enhancement Program. This program will assist in reducing the phosphorus loadings in the Lake Erie Basin from cropland run-off and improve the productivity of southwestern Ontario agriculture in reducing or arresting soil erosion.

On behalf of the agricultural community in Elgin County and Norfolk Township, I would like to thank the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Mazankowski) for their foresight. This initiative will ensure that future generations will have productive land to farm and will be able to continue producing Canadian farm products that are wholesome and of high quality.

* * *

ENVIRONMENTAL AFFAIRS

INQUIRY INTO IMPACT OF OIL EXPLORATION URGED

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, on December 23, there was a major oil spill off the Washington coast which seriously impacted on the West Coast of Vancouver Island. On March 28, an even more serious oil spill took place off the coast of Alaska, and the effects are still unknown.

On April 5, the Minister of the Environment (Mr. Bouchard) turned down a request for an inquiry. I am asking him to reconsider in view of the fact that at this very moment a press conference is being held in Vancouver where a committee representing some 158 prominent British Columbians are asking in a letter addressed to the Prime Minister (Mr. Mulroney) for a full inquiry into the environmental and social impacts of the exploration, production and transportation of oil and other dangerous substances in Canadian coastal waters. I ask the Minister of the Environment to reconsider in view of this interest in the Province of British Columbia.

[*Translation*]

TRIBUTE TO JEAN-MARC HAMEL

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on March 30 last, in the presence of the Prime Minister of Canada (Mr. Mulroney), Her Excellency the Governor General of Canada, Mrs. Jeanne Sauvé, bestowed on Mr. Jean-Marc Hamel, Chief Electoral Officer of Canada, the Outstanding Achievement Award, the highest award in the Federal Public Service. Under Mr. Hamel, was appointed on June 6 1966, the Canada Elections Act has undergone a positive evolution.

Mr. Speaker, we also appreciate the competence of the impressive team he heads in Ottawa. On behalf of all Elections Canada employees and of all Parliamentarians, I would like to pay a special tribute to Mr. Jean-Marc Hamel and to offer him my most sincere congratulations.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

RESEARCH ON COLD FUSION

Mr. Ross Stevenson (Durham): Mr. Speaker, cold fusion could well revolutionize the energy production and utilization on our planet if this process can be proven and commercialized. The importance of the current research on cold fusion, should it prove routinely verifiable, cannot be exaggerated and would surpass any previous scientific development in history.

The successful development of cold fusion would minimize environmental problems and radically change world political and economic influences now exerted by major oil producers.

My contacts with Canadian and American researchers indicate that many are becoming believers. Two possible pathways of reaction have been identified.

With our vast freshwater supplies and heavy water technology, Canada should be on the forefront of possible development.

* * *

EXTERNAL AID

EFFECT OF CUTS IN GOVERNMENT SPENDING

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, as the critic for the Canadian International Development Agency, I like many other Canadians hear persistent rumours that major cut-backs

will soon be imposed on government spending. After this morning, we tend to believe it more. These cuts include Canadian aid for Third World development.

• (1410)

I appeal to the Government to do everything in its power to ensure that international aid, particularly that directed to Africa, the poorest of continents, is spared if the Government does in fact reduce its budgetary expenditures. Consider these facts: Per capita income in Africa is lower today in real terms than it was 30 years ago. Between 1979 and 1983, life expectancy declined in nine countries of the sub-Sahara. With regard to education, primary school enrolment has fallen in 12 countries. Surely these people can be made an exception to this lean and mean Government.

* * *

TRIBUTE TO THE HON. ROBERT STANFIELD

Hon. David MacDonald (Rosedale): Mr. Speaker, today, April 11, is the 75th birthday of a former distinguished Member of this House and distinguished son of Canada, the Hon. Robert Stanfield. My first recollection of Robert Stanfield is from the provincial election of 1956 where as a young student, I was sent to cover the inevitable re-election of the then Liberal Government of Nova Scotia. I got there too late because Bob Stanfield, having taken over the Party eight years earlier with no members provincially or federally, had achieved a victory.

Bob Stanfield's career would have been complete had he never left Nova Scotia, but in 1967, he accepted the unhappy and difficult task of national leadership. Through three difficult elections and nine years, he re-built this national Party into the central institution it has become today. His unswerving integrity and commitment to full equality in terms of language rights and social justice, his progressive approach to leadership, his belief in the reconciling of regions and of making this an important place for the debate that would make this country viable has contributed much to the public life of Canada. Today we salute a great Canadian on his 75th birthday.

VIA RAIL

EFFECT OF CUT-BACKS IN SERVICE

Mr. George S. Rideout (Moncton): Mr. Speaker, this Government is not a caring and compassionate Government, it is a callous and careless Government.

Via Rail links this Confederation from the East Coast to the West. For many thousands of Canadians, the rail lines through their towns or cities are a symbol of how vast this great country is and how yet we are all Canadians. The Government was callous when it brought up the idea that Via Rail would be cut in the upcoming Budget. Families across the nation wondered if there would be a pink slip waiting for them the next day.

The federal freight rate subsidies are vital to the Atlantic economy. We need these subsidies to transport our goods to market and distribution points in central Canada. We cannot afford to lose 12,000 jobs.

This is a careless Government. Uncertainty at the national level with regard to the continued funding of economic development programs has created chaos among the workers and businesses of Atlantic Canada.

Cut-backs in Via Rail, the Atlantic freight rate subsidies and the Economic Regional Development Assistance Programs appear to be on this Government's agenda. Via Rail, the freight rate subsidies and ERDAs are essential to Atlantic Canada and must be maintained.

* * *

WILDLIFE

COURT JUDGMENT ON THE RAFFERTY-ALAMEDA PROJECT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I find it ironic that today, the Hon. Member for Brandon—Souris (Mr. Clark) rose in his place to talk about National Wildlife Week while remaining silent about a judgment rendered on the Rafferty-Alameda project, a judgment that was brought forward as a result of an action taken by the Canadian Wildlife Federation, a judgment which showed that the federal Government did not live up to its responsibilities with respect to a federal environmental assessment on the Rafferty-Alameda dam, a judgment which has quashed the licensing of that dam.

I now call on the Government to correct the error made by the former Minister of the Environment, and I call on the present Minister of the Environment (Mr. L. Bouchard) to live up to his responsibilities, not to appeal the decision, to initiate a federal environmental assessment review and to ensure that Saskatchewan does not defy the law of the land and proceed with this project regardless of the court judgment.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT

RE-TRAINING PROGRAMS – RESPONSIBILITY FOR FUNDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. The Tory Government has not launched an attack on poverty, today it launched an attack on the poor. It has not launched an attack on unemployment, today it launched an attack on the unemployed.

Canadians who honestly and legitimately find themselves out of work or lose their jobs are having their benefits cut by $850 million. Why should a Canadian who, through no fault of his or her own, loses a job, pay for human resources training by big companies? Why are unemployed people, who have to feed their children and pay their rent, pay for training programs in Canada? Why is the Government forcing unemployed people onto welfare to pay for what should be government training programs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Right Hon. Leader of the Opposition is, of course, wrong on all counts. We are ensuring that people who are unemployed continue to have benefits. Yes, we are saying that they will have different kinds of benefits. We are ensuring that they will have access to training and that they will have the possibility of having secure jobs in the future. We are paying for the kind of training that they will need to have those jobs. That is a better kind of benefit than staying at home when most of them do not want to stay at home.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the issue is who is paying for the training. Under this plan, the unemployed will be paying for the training.

[*Translation*]

Mr. Turner (Vancouver—Quadra): Mr. Speaker, the Conservative Government is taking money from the unemployed to pay for retraining people who already have jobs. Is the Prime Minister going to pay or the Minister? Certainly not! Québec's textile workers and British Columbia's forestry workers are going to pay. Why should workers who don't have enough money for their rent, clothes and food, have to pay the cost of retraining programs? Why should people who have enough problems of their own, and are unemployed, be made to pay for the cost of retraining others, which is the Government's responsibility?

[*English*]

Mrs. McDougall: Mr. Speaker, first I think retraining is the responsibility of all of us because it is the future of Canadian workers that we in this Government are concerned about. The right hon. gentleman is always talking about doom and gloom, but for every story that he can come up with about gloom and doom, I can point to a Canadian who has benefited as a result of the Government's economic policies, and under this program, they will benefit more.

Mr. Turner (Vancouver Quadra): Mr. Speaker, so much for the Prime Minister's undertaking that our social programs were a sacred trust. So much for his statement made during the debate among the three Leaders, particularly his response to the Hon. Member for Oshawa (Mr. Broadbent), that all our social programs would survive the trade deal. So much for his promise during the election campaign that Canada would have the finest adjustment programs in the world for our labour force. All that has gone by the board. Why did the Prime Minister not tell Canadians the truth if this was going to be the result?

Mrs. McDougall: Mr. Speaker, we are making this program a better one, and I do not understand why the Right Hon. Member would suggest that this program is being cut. The size of this program remains the same. The people who are unemployed will now have access not only to income support, but under the training programs in the UI program, programs which are not a new phenomenon but whose funds are being doubled, they will get income support, transportation allowances, child care and the cost of the training program. What could be better for unemployed Canadians than that?

[*Translation*]

UNEMPLOYMENT INSURANCE

LOSS OR REDUCTION IN BENEFITS – MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration.

This morning, we had a preview of the Budget which indicated that nearly one million Canadian workers will lose their unemployment insurance benefits, either altogether or partly, as a result of the program announced by the Minister today.

Does the Minister agree with these indications, and if not, what are her own predictions? And is she prepared to produce publicly, here in the House, her own impact study on this issue?

• (1420)

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): The Government of which this Member was a part did change the entrance requirements under unemployment insurance. We did not invent this. This has been done before. This time it was done in a way that those people will have access to other programs. When his Government did it, it simply extended—reduced the ability of people enter the program. We are saying those people will have access to a secure job and a secure future.

The Hon. Member is saying a million people will be affected. I do not think that number is right. We have been sensitive to regional disparities so people in higher unemployment regions will continue to have access to the program at an earlier date.

We have also eliminated the repeater provision put in by that Government. We made it easier for these people to find a job and to find training. We brought our programs together in a continuum for employed and unemployed to ensure that our workforce in the future has the greatest security of job opportunity in the world.

Some Hon. Members: Hear, hear!

UNEMPLOYMENT INSURANCE FUND – WORKERS' CONTRIBUTIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): I asked the Minister to produce her impact studies to show us how many people will be affected by this program. She has not answered that. We want those impact studies.

The Government announced it was taking $850 million out of the Unemployment Insurance Fund by reducing benefits and redirecting moneys to training, labour market development and consultation, worth-while activities, but all matters that in the past were paid for out of general revenue because they benefited all Canadians.

My question for the Minister of Employment and Immigration is this. How can the Government justify this radical attack on the Unemployment Insurance Fund, and what will it do to assure Canadian workers across this country that moneys they have paid into that fund will be returned to them in benefits or training in their own provinces?

Hon. Barbara McDougall (Minister of Employment and Immigration): The Hon. Member has clearly missed the point because that is exactly what will happen. We had in the past a mixture of programs under the Unemployment Insurance Program and under General Revenues that provide training and benefits to workers. That will continue. What we will do is double the effort under the Unemployment Insurance Program and under the Canadian Jobs Strategy, which remains whole. This is a change from their policies whereby they make work; we make jobs!

Some Hon. Members: Hear, hear!

Mrs. McDougall: We are reinforcing a positive direction recommended by a committee of this House that unemployment insurance become more active.

FUNDING OF RETRAINING PROGRAMS

Hon. Edward Broadbent (Oshawa): No matter how the Minister deals with the issue, the question that workers will be asking right across the country is: "Who will pay for the retraining involved?" Is it the unemployed themselves, as the Government wants to do, or is it those who can afford to pay for retraining programs? That is the issue.

My question is directed to the Minister of Employment and Immigration. What she did amounts to taking $1.3 billion out of the Unemployment Insurance Fund, out of the pockets of the unemployed, a direct or indirect tax on them. Why didn't the Minister, as her buddy Ronald Reagan has done in the United States, institute a minimum corporate tax on profitable companies? She could have raised over a billion dollars there and taxed those who could afford to pay, namely, the corporations that are making money, for these changes, instead of the unemployed themselves.

Hon. Barbara McDougall (Minister of Employment and Immigration): The Leader of the New Democratic Party is singing the same old song. He sings it on every issue. A billion dollars from corporations is supposed to pay for everything.

Let me say that premiums paid into unemployment insurance are paid by employers, as well as employees. It is a benefit to employees who are unemployed or may be unemployed in the future that we will see people changing jobs more often. The Hon. Member knows that. There is a different kind of benefit going to the unemployed now. It is one the unemployed have asked for. They want training and secure jobs. They are ready to pay for them.

REQUEST THAT MINIMUM CORPORATE TAX BE INTRODUCED

Hon. Edward Broadbent (Oshawa): The Minister has learned her lines well. Every question she is asked today about who will pay for this, she turns around and talks about retraining. No one on this side of the House is arguing against retraining. We are saying the unemployed should not have to pay for that themselves! That is the issue.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister is smiling. She is not the one looking for a job.

Why is it the United States can afford to have a minimum corporate tax and other industrial countries can have a minimum corporate tax on profitable companies, and this Government would rather tax the unemployed? Why don't you bring that tax in and do the just thing?

Hon. Barbara McDougall (Minister of Employment and Immigration): It is both employed people and corporations that pay for unemployment insurance. It is not the unemployed. The unemployed do not pay for unemployment insurance.

Some Hon. Members: Hear, hear!

Miss McDougall: Both companies and employees pay into the Unemployment Insurance Fund in order to have access to the benefits of the program. We are shifting the benefits of the program in a way that is more positive and will ensure workers in the long run will have access, not just to money to stay at home, but money to go out and get another job.

Mr. Broadbent: Unlike the United States, we still have 60,000 profitable companies that do not pay any income tax. The Minister may think that is all right, the Conservatives may think that is all right, but the majority of Canadians want that changed.

[*Translation*]

The unemployed will have to pay for these changes. Does the Minister think that is fair? Why not make the rich or profitable companies pay? Is this the Conservative Party's idea of justice?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): The Government has done much to make the tax system more fair in this country. I am interested to hear the Hon. Member quoting Ronald Reagan and the Americans. It is the first time he has ever done that in this House.

Within this program we are dealing with changes to the Unemployment Insurance Program. We will ensure that Canadian workers have access not just to benefits but to the right kinds of benefits under a program that already exists for their benefit. I say that Canadians, Canadian workers, the Canadian unemployed, people like single mothers, social assistance recipients, will all be better off under this program.

Some Hon. Members: Hear, hear!

NUMBER OF WEEKS OF WORK NEEDED TO QUALIFY

Mr. George S. Baker (Gander—Grand Falls): The Minister said in this House last week:

> Those who need unemployment insurance will get it.

Well they got it today from this Minister. They got it right straight between the eyes.

My question is directed to the Minister of Employment and Immigration. According to a document she released today, it says the minimum entrance requirement around Saint John, New Brunswick, will go up from 10 to 15; around Halifax, Nova Scotia, 12 to 18; and around St. John's, Newfoundland, from 10 to 14. That covers the entire Avalon Peninsula. How can the Minister say the unemployed have nothing to fear when now they need additional weeks of work that do not exist?

• (1430)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the people of Newfoundland will benefit considerably from this program in a number of ways.

First, let me point out to the Hon. Member that he has missed something in this. The program for fishermen remains whole, remains the way it is.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Second, we have eliminated the penalty for repeaters. This means that seasonal workers in Newfoundland will be better off.

Third, we have expanded the funding for the Community Futures Program which covers a large number of communities in Newfoundland and in Atlantic Canada. We are giving Newfoundlanders and other people who live in Atlantic Canada hope for a real job with real training.

PENALTIES FOR WORKERS REFUSING SUITABLE JOBS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, after listening to the Minister, I have a feeling that perhaps what Newfoundland and the Maritimes will need under this new legislation is a nothwithstanding clause.

Some Hon. Members: Oh, oh!

Mr. Baker: I want to ask the Minister, among the gobbledegook that came out this morning, what did the Minister mean when she said: "We propose to increase the penalties for workers who refuse a suitable job".

Does the Minister mean that a man or a woman who has children to feed will have to take a job at less money than what he or she was receiving on unemployment insurance? How many other hidden hammers will hit Canadians under this legislation?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we are going to put all the resources of our Canadian Jobs Strategy and the Unemployment Insurance Programs together to ensure that we can assist people to find suitable jobs sooner.

Is the Hon. Member telling me that he wants the people in Newfoundland to stay home? Is that what he wants? Does he want them to stay unemployed? Does he want them to not have access?

The House Commission in Newfoundland has done some work on this very topic. It has stated that the people in Newfoundland want to work, and we are providing them with the means to do that, and to upgrade their skills under local conditions that are suitable for them.

GOVERNMENT EXPENDITURES

FORECAST CUTS IN PROGRAMS—GOVERNMENT'S PRE-ELECTION COMMITTMENTS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is directed to the Minister of Finance. In the months leading up the 1988 election the Government announced spending promises totalling $18 billion.

During the election campaign the Minister of Finance explained that these were not promises, they were government spending commitments whose cost was zero.

The Minister assured Canadians that the Government had the money and would not need to increase taxes or reduce spending to honour its promises.

However, yesterday the Minister stated that the Government will reduce spending and increase taxes. Today the first program to be officially cut is unemployment insurance.

Will the Minister of Finance explain why last autumn he was adamant that the Government's election promises could be paid for without cutting existing programs or raising taxes, and why today Canadians are told that there will be severe cuts in government spending and major tax increases immediately ahead?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first may I say right off the top that the Hon. Member's statement that the Unemployment Insurance Program has been cut is quite clearly wrong, and that has been made very clear by my colleague, the Minister of Employment and Immigration.

There are other things in the very long preamble to the Hon. Member's question which are incorrect. However, I will not get into those.

Yes, we do have a debt problem. The Hon. Member is very clear on that. This problem must be dealt with. I indicated in my speech yesterday in Toronto the basis on which we had to deal with this.

I wish to quote something that the Hon. Members and others in the House will agree with. An article in *The Winnipeg Free Press* stated: "Any finance minister, of any party, would have to do the same. The issue has little to do with ideology and much to do with paying the price of past irresponsibility", which was in that party, the party of which the Hon. Member is a member of, and which we know we have to deal with and deal with fast.

Some Hon. Members: Hear, hear!

COST OF MEETING COMMITTMENTS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in response to questions the Minister has stated on a number of occasions that high interest rates are responsible for the inability of the Government to meet its election promises, or what the Minister described as spending commitments. Yet, at the time of the election, interest rates were over 10 per cent and climbing. The rate was certainly much higher than forecast in his own last Budget.

Will the Minister now tell the House whether he informed the Prime Minister during the election campaign that the promises he was making, or the spending commitments he was announcing, would be impossible to honour in the face of rising interest rates, and if not, why not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member goes back and looks at the promises we made during the course of the campaign, he will see that there were very few promises during the campaign.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, there was an increase in interest rates during the month of September and subsequent to the election campaign.

The point that we have to recognize here is that those interest rates, related to increases in interest rates in other countries in the world, are making very clear the exposure that we have as a country today to the high level of debt combined with the high level of interest rates that we have. This is the problem that we have to address, and that we will address in the Budget.

As I said in my remarks yesterday, it is something that is a national issue, a national challenge that must be faced on a national basis.

* * *

UNEMPLOYMENT INSURANCE

AMOUNT OF BENEFITS PAYABLE IN NEWFOUNDLAND

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Employment.

Last night we discovered that officials in her Department had estimated that at least $30 million would be taken in unemployment benefits out of the Province of Newfoundland.

In view of that reality, how can the Minister justify that Newfoundland will receive benefits when $30 million has been pulled out of that province in benefits?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, because the funds will be going back by way of training, by way of Community Futures, and by way of maternity and over 65–benefits. All the benefits that are in this program will be going back into the regions of Canada.

We have made the commitment that we are going to ensure that we are sensitive to regional concerns.

The Hon. Member is taking out the costs and not looking at what is available to benefit Newfoundlanders under this program. If the Hon. Member wants to ensure that Newfoundlanders do not have access to benefits, then he can defend the *status quo* all he wants. However, the *status quo* is not working for everyone in the country, and that is why we have to change it.

• (1440)

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, Atlantic Canada has already been hit by the suspension of $500 million in ERDA agreements. Now, $30 million is being pulled out of the pockets of people right across the Province of Newfoundland. Is the Minister trying to make Margaret Thatcher look like a paragon of human kindness compared to this Government? Is that what she is trying to do?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we do not have to take any lessons from the NDP in how to create economic growth.

Some Hon. Members: Hear, hear!

Mrs. McDougall: If you look at Atlantic Canada, Mr. Speaker, since this Government took office in 1984 you will see that there has been a 12.4 per cent increase in the number of jobs. They are good jobs.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Many of those jobs have come about as a result of programs such as the Community Futures Program in which local enterprises make the decisions

about local needs with local business and local workers. I can assure the people of Atlantic Canada and the people of Newfoundland that the Government stands behind them in order to build their future.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF THE ITALIAN SENATE COMMISSION ON ELECTIONS AND PARLIAMENTARY PRIVILEGES

Mr. Speaker: I wish to bring to the attention of Members the presence in the gallery of Senator Francesco Macis, Chairman of the Italian Senate Commission on Elections and Parliamentary Privileges.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF THE LEADER OF THE ALBERTA NEW DEMOCRAT OFFICIAL OPPOSITION

Mr. Speaker: I also wish to bring to the attention of Members the presence in the gallery of Mr. Ray Martin, Leader of the Alberta New Democrat Official Opposition.

Some Hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

EFFECT OF CHANGES ON UNEMPLOYED WORKERS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. By restricting the requirement for access to unemployment insurance and by tying the period of benefits to the regional unemployment rate the Government is penalizing workers who find themselves unemployed or dislocated through no fault of their own. What does the Minister suggest they do besides reverting to provincial and municipal welfare rolls? What does the Government intend to do to help the provinces which have to pick up the tab?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, what we have found in the past, and what the people of Canada found when the Government which the Hon. Member supported introduced changes to the entrance requirements, was that people were able to find more work.

We have expanded the provisions for social assistance recipients. If the provinces co-operate with us we will be expanding that to $800 million. That is a very successful program which we introduced under Canadian Jobs Strategy which helps social assistance recipients get off welfare.

I would also remind the Hon. Member that the federal Government does pay half of those costs.

CRITERIA FOR RETRAINING PROGRAMS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Minister speaks about co-operation and participation with the provinces. Yet a couple of weeks ago she cancelled meetings with the provinces on precisely this topic.

In the obvious absence of a broad employment industrial strategy can she explain by which criterion or set of criteria she set up the programs? Who will be responsible for developing them? What government employment objectives for disadvantaged regions are being used to create this hodgepodge of programs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this is clearly not a hodgepodge of programs. This is creating a continuum whereby with the private sector, which includes labour and business, and with the provinces we can put together a program that is a continuum. We will ensure that there is entry level training, that there is re-entry level training, and that there is skill upgrading for people on the job.

I suggest that the Hon. Member read the program instead of talking to his friends at Queen's Park who have not read it.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OFFICIAL LANGUAGES

CONSTITUTION'S NOTWITHSTANDING CLAUSE—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Secretary of State. It concerns the annual report of the Commissioner of Official Languages, tabled in the House today. In this report we read that 1988 was a stormy on the language scene. Consider Alberta, Saskatchewan and Quebec, which adopted regressive legislation to deal with their language minorities. Meanwhile, the Conservative Government kept quiet and refused to condemn these reactionary policies. We even heard the Secretary of State's predecessor admit that he understood and justified using Section 33, the notwithstanding clause! Recently however, we heard the Prime Minister say that this section was—and these are his own words—"immoral and the mistake of the century". I want to ask the

Secretary of State, the present incumbent, what his position is on Section 33. Is he for or against?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the Prime Minister speaks for the Government of Canada. He said very clearly what our position is. We are entirely in favour of promoting language diversity in this country and supporting minority official language communities. The report published by Mr. Fortier this morning admirably compliments what our Department is doing. I will have a chance to discuss the report's recommendations with him at a meeting a week or two.

[*English*]

ESTABLISHMENT OF REGULATIONS UNDER OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my supplementary question is addressed to the President of the Treasury Board. In his report the Commissioner of Official Languages talks about the need for action. He talks about the need for a law that has teeth and has regulations. The law passed last year must have regulations. To have them there must be a consultation process. The green light for this process has not been given by Treasury Board or Cabinet.

When will this law be given the regulations required so that it can be followed to the letter and in spirit? When will the Government move on this Bill? Will it wait? Will it drag its feet like it did in introducing the Bill?

In the calendar of events will we see a timetable from the Government to know exactly when this law will come into effect with the appropriate regulations?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to quote the Commissioner of Official Languages who said, in referring to the new Official Languages Act:

[*English*]

"The new Act is eloquent testimony of your Government's commitment to greater linguistic harmony and equality".

[*Translation*]

Mr. Speaker, it is a fact that regulations are essential in order to implement the new Official Languages Act. After consultations with all Parties in this House, with the departments, with the groups concerned and with parliamentarians, we promised that this would be done. In today's report, the Commissioner said that he hoped regulations would be tabled by the end of 1989. I can assure the Hon. Member that the regulations will be tabled in the House well before that date, so that we can have final consultations with all Members of this House.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

DE GRANDPRÉ COMMISSION RECOMMENDATION

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, the Government's intrusion today into the Unemployment Insurance Fund is an admission that its economic policies, including free trade, are a failure.

Some Hon. Members: Oh, oh!

Mr. Fisher: The Minister says that the *status quo* will not do—and the Minister is exactly right. Just under one year ago I worked at a plant where 200 or 300—

Mr. Andre: I am sure that your mother is very proud. Ask a question.

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Fisher: Considering the fact that the changes have been made, and that they will very adversely effect unemployed people, why did the Minister not take the advice of the de Grandpré Commission which suggests a levy from people in society who can afford to pay for unemployment insurance, not from the people who are unemployed?

• (1450)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is nice to know that the Hon. Member is now supportive of the de Grandpré Report.

First of all, Mr. Speaker, the premise of the Member is wrong. I would like to thank him for his first question in the House since we have been together in a session, but what we are doing is paying a different kind of benefit

under unemployment insurance. It is very important for him to recognize that the kinds of benefits that we are going to be providing under unemployment insurance are the kind that will provide people with training opportunities and with future jobs.

Some Hon. Members: Hear, hear!

TRAINING FOR AVAILABLE JOBS

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would suggest, Mr. Speaker, that the job training which is going to be available will amount primarily to MAC–jobs at MAC–bucks.

I ask the Minister when she is going to get serious about putting in programs which really train people for jobs which are available?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we got serious about this in 1985 when we introduced the Canadian Jobs Strategy. We began then, Mr. Speaker, to move from old programs that make work to new programs that make jobs. We believe in opportunity and we will continue to do that.

Some Hon. Members: Hear, hear!

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YOUNG OFFENDERS ACT

REVIEW OF PROVISIONS

Mr. Bill Attewell (Markham): Mr. Speaker, I have a question for the Minister of Justice. Many of the constituents of my riding of Markham are concerned about certain flaws in the Young Offenders Act. They are particularly concerned about the reluctance of judges to refer certain violent crimes committed by 16 and 17–year olds to an adult court.

Since the Speech from the Throne promised a review of the Young Offenders Act, will this be done quickly so that society will be better protected from certain violent young offenders?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Thank you, Mr. Speaker. I appreciate my colleague's interest in this matter. The Government's concern, which I believe is shared by all Members of the House, is that this law balanced protection of person and property with rehabilitation of young people, but there are some concerns about the adequacy of the transfer provisions. There is presently a working group of federal–provincial Ministers and officials looking at this, and the matter is going to be fully discussed at the federal–provincial meetings in Prince Edward Island in June.

NUCLEAR ENERGY

COLD FUSION EXPERIMENTS CONDUCTED IN UNITED STATES

Mr. Ross Stevenson (Durham): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Would the Minister please comment on Canadian experts' views of the cold fusion experiments that are going on in the United States now and their possible potential for commercialization in Canada?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, my colleague has asked a somewhat difficult question, but I will do my best to explain where we are at the moment. I am not sure that anyone knows whether we have indeed experienced a breakthrough in terms of fusion. We still have a mixed result. Something is obviously going on, but we are not sure that it is indeed fusion. However, the Atomic Energy of Canada Limited is following this with some considerable interest and some experiments.

Just a few days ago I established through the vice–president of science of the National Research Council a special committee with special advisers from Canada to track what is going on anywhere in the world so if anything does breakthrough with our experiments or through others, we will be on top of it.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

RAFFERTY–ALAMEDA DAM PROJECT

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of the Environment. Yesterday the Federal Court struck down a federal licence for the Rafferty–Alameda Dam project in Saskatchewan. This project was struck down simply because the federal Government did not follow its own guidelines under the environment assessment and review process when issuing the licence.

Considering that the Government has ignored its own regulatory obligation, will the current Minister agree to comply with the decision of the Federal Court as well as apologize to the people of Saskatchewan and Manitoba for the Government's ignoring its sacred trust of the environment?

Some Hon. Members: Hear, hear!

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I had the occasion to read the judgment quickly and I intend to read it more carefully. I am waiting for an analysis from Justice. What I can say is that I will get in touch today with my colleagues in the

provincial Government of Saskatchewan about it, and we will make a decision very shortly. Of course the options are whether to comply with the requirements set out in the judgment or to favour an appeal. I can assure the House and the people that this decision will be made taking into full consideration the protection of the environment and the assessment requirement. We will also have to take into account the necessity of meeting the local need for water.

FEDERAL COURT DECISION—PROVINCIAL APPEAL ANNOUNCEMENT

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I have a supplementary question for the same Minister. I hope that he moves quickly. I am sorry to hear that he has not already phoned his Deputy Minister or the Deputy Premier of Saskatchewan who has already announced that he is going to appeal and is going to proceed with construction. Will the Minister assure the House that he will speak to his compatriot in Saskatchewan and ensure that if this appeal does go ahead they will not allow construction to continue?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am sure that my friend understands that it is a matter of minimum courtesy to call my fellow Minister in the provincial Government, and this is an occasion to confirm that the commitment made in the Speech from the Throne about the necessity of implementing a new legislative assessment review was well founded.

Mr. Speaker: I want to advise the House that there will be a single question from the Hon. Member for York West and a single question from the Member from Regina—Qu'Appelle.

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IMMIGRATION

REFUGEE CLAIMANT APPLICATIONS BACKLOG

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. On December 28 of last year, the Minister announced measures to deal quickly with the huge and growing backlog of refugee claimants. Yet after three months, nothing has been done and not one case has been processed. On March 31 the announcement was made that they will not begin until the end of summer at the very earliest.

Why announce a plan last December, do nothing for three months, and then in fact postpone the eventuality until the summer? Why won't the Minister, once and for all, end this bureaucratic limbo and get down to the serious business of clearing a human backlog that numbers over 110,000 individuals in this country?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me say first of all that we are very sensitive to the human concerns around the backlog. That is why I announced early what we were planning to do. We have spent the intervening months getting ready to ensure that cases get heard as efficiently as possible.

We have also used that time to ensure that people who did not have work permits before have them and are able to work while they are waiting for their claim. They know now what the conditions are and what the criteria will be under the backlog. I think that is a great step forward for those people.

* * *

• (1500)

ENVIRONMENTAL AFFAIRS

RAFFERTY—ALAMEDA DAM PROJECT—REQUEST FOR ENVIRONMENTAL REVIEW

Mr. Simon de Jong (Regina Qu'Appelle): Mr. Speaker, my question is directed to the Minister of the Environment. As he surely knows, a federal judge has told the Government that his predecessor failed to comply with his statutory duty and had exceeded his jurisdiction.

When will the Government recognize that it cannot pay lip service to the environment but has to act and follow its own law? Why will the Minister not stand up in the House today and announce that the Government will order an environmental review, with public meetings and hearings, and that it will request, in fact demand the Province of Saskatchewan to cease construction until there have been full hearings on it? When will you really stand up for the environment instead of just giving lip service to it?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I will have to announce the same thing tomorrow but I repeat that I intend to make a conference call with my fellow Ministers in Saskatchewan.

It is certainly true that this Government was right in contemplating and committing itself to present to the House a Bill for a new law implementing a compulsory assessment review process. This will be the only way to remove the current ambiguities from the present process.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her speech at the opening of the session; and on the amendment of Mr. Foster (p.326).

The Acting Speaker (Mr. Paproski): The Hon. Member for Cochrane—Superior (Mr. Bélair) has three minutes remaining in debate and 10 minutes for questions and comments.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I have only three minutes left, and I find it rather difficult to get back to my subject, the Throne Speech, after such a long pause. Nevertheless, I would like to raise a number of points. I would have liked to see the Throne Speech deal with the problem of air safety, and more specifically at Toronto's Pearson International Airport. When you travel by air every week and have this nagging feeling that you might not be able to land or your plane might have a mid-air collision, it should be enough to make the Government and the Minister of Transport make this very serious problem one of their top priorities.

Also absent from the Throne Speech was any mention of the purchase of nuclear submarines. I don't think Canada needs them. What good would a few nuclear submarines do if we are stuck in a cross-fire between two world superpowers, the Americans and the Russians? Since we don't have any other form of military support, what good would these nuclear submarines be? The money could be better spent.

[*English*]

In conclusion, may I reiterate my disappointment at the total exclusion of the forestry issue from the Throne Speech, considering that the industry employs a million people in Canada and the 15 per cent export tax on softwood lumber is a very serious blow to its viability. It is extremely urgent that the Government was initiate a new round of negotiations with the United States to eliminate this devastating tax. It is of the utmost importance that the federal-provincial agreements on forestry resource development be renewed. Forest regeneration is the future of the industry. Access roads to reach mature timber must be constructed.

The Government should be praised for creating an independent Ministry of Forestry. Now it should live up to Canadians' expectations.

The Acting Speaker (Mr. Paproski): Questions or comments? No questions—

Mr. Nunziata: Mr. Speaker, I certainly appreciate the opportunity to ask my colleague a question or two. At the outset I want to congratulate him on a very fine speech. He certainly has distinguished himself in the House in the very short time that he has been here. His commitment is not matched by anyone in the House when it comes to matters affecting his particular jurisdiction.

The Member has spent considerable time analyzing the Speech from the Throne. We on this side of the House have been very critical of what has been missing from the Speech from the Throne.

The Speech from the Throne is supposed to outline in principle the general thrust, and general programs of the Government for its mandate for at least this, the Second Session of the Thirty-fourth Parliament. Needless to say, as my hon. friend has pointed out, the Opposition and Canadians generally have been terribly disappointed by the general thrust and direction the Government will have us take.

We noticed today, for example, that the Government appears to be more concerned about the deficit than the lives of Canadians and Canadian families from one end of the country to the other. There was very little mentioned in the Speech from the Throne about the Government's intention to be so brutal in dealing with the deficit.

Is it any wonder that Canadians throughout the country call into question the integrity and honesty of that particular Party and the Government when, during the election campaign, the Government through the Prime Minister (Mr. Mulroney) made a number of different promises to Canadians? We heard the Minister of Finance (Mr. Wilson) say today that they did not make very many promises during the election campaign. It was quite laughable to listen to the Minister of Finance say today that the Government did not make many promises. It leads one to ask: When is a promise a promise?

During the election campaign the Minister of Finance said that they were simply election commitments and not promises. We can imply from his comments today during Question Period that because they were not promises, somehow the Government is not bound by the commitments it made to the people of Canada during the election campaign last fall.

My question concerns the Government's integrity and honesty. There is no doubt that my colleague's Conservative opponent in his riding made a lot of promises during the election campaign, no doubt duplicating the promises made by the Government itself. Will the Hon. Member comment on some of the promises that were made by his Conservative opponent in his riding and comment on the Finance Minister's statement today that not very many promises were made? Do his constituents feel, as mine do, that the Government is totally lacking in the area of integrity and honesty?

• (1510)

[*Translation*]

Mr. Bélair: Yes, Mr. Speaker, a number of promises certainly were made during the election, concerning for example, regional development. The House will remember that in the Spring of 1987, the Government announced the FEDNOR Program. It only took a year before we finally received some moneys from the Government, and by a well-designed coincidence, some projects were accepted only one month before the general election. The intention no doubt at that point was to prove to people in Northern Ontario that a Conservative Member would be more acceptable than a Liberal Member, but I am sorry to tell them that the Conservative candidate was beaten, and by quite a margin!

During the campaign, the Conservative candidate also recognized that the 15 per cent export surtax on softwood lumber was harmful to Northern Ontario's people and forest industry. If we agreed on one thing, that was it. I am not sure whether that candidate was speaking on behalf of his party, but he fully recognized it—anyway the three candidates fully agreed that tax is harmful. We saw the results—five sawmills have shut down since the agreement was signed. There was a loss of 900 jobs, without the governments, then and now, doing anything to launch re-training programs for those employees.

Going further, Mr. Speaker, I could add that across Canada a lot of small sawmills, a lot of independent owners without links to the pulp and paper industry are hurting tremendously.

The message I would like to convey to the Government is to remind the Minister of International Trade, as my colleague from Winnipeg did this week, that he should start anew very serious negotiations with the Americans to repeal that tax that will do new harm across Canada.

[*English*]

Mr. Foster: Mr. Speaker, I congratulate the Hon. Member for Cochrane—Superior (Mr. Bélair) on his speech. He is not only a distinguished Member from northern Ontario, but is also one of our co-critics for forestry. He has done a commendable job of outlining the problems and difficulties of the softwood lumber industry. Clearly, no industry has faced such a difficult time as has that industry in northern Ontario.

The Minister for International Trade (Mr. Crosbie) suggested a couple of weeks ago that he thought it would be inappropriate to go to Washington now to negotiate. More recently, he has said that he feels there have been changes and that now the whole softwood lumber agreement should be renegotiated.

I would like to ask the Hon. Member for Cochrane—Superior just how urgent it is for the Minister to go to Washington or for the American Secretary for Trade to meet with the Minister here in order to renegotiate this agreement. How urgent would this be for communities like Hearst, Sioux Lookout, Thessalon, Thunder Bay and Sault Ste. Marie? How close are those communities to losing jobs and having their mills shut down? Could the Hon. Member outline for the benefit of government Members and the Minister for International Trade just how urgent this situation is?

[*Translation*]

Mr. Bélair: Mr. Speaker, I am pleased to answer the question of the Hon. Member for Algoma. Again I repeat that the message I have for the Government is that the Minister for International Trade should contact the American authorities at the earliest opportunity and attempt to renegotiate an extremely harmful tax.

As I said, five mills have already closed their doors. When in Thunder Bay we met with a very large group of workers who had been laid off just before Christmas. If we combine this tax with the rate of exchange of the Canadian dollar as compared to the American dollar, the

result is that the industry must now make do with an income 30 per cent lower than it was on December 31, 1986.

Mr. Speaker, anyone can see that no single industry in Canada would continue to operate after sustaining such huge losses in terms of both profits and manpower. Now, a few words about the impact of these lay-offs. Municipalities have to hand out additional welfare benefits and the workforce is highly depressed. Remember that these people have worked hard to improve their working conditions and then, practically overnight, they are left with absolutely nothing, not even a retraining program. The human consequences are severe, Mr. Speaker, and the Government must take immediate action.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The associate Minister of National defence (Mrs. Collins).

[*English*]

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, indeed, it is a sincere pleasure to have an opportunity to participate in the debate in response to the Speech from the Throne. First, I would like to pay my respects and offer my congratulations to the Speaker of the House who still remains the first Member ever to have been elected to that position. That is something very important to remember and should not be quickly overlooked. During this Session, while we will not agree on very many things in the House, we certainly have agreed on the unparalleled respect that we have for the Speaker of the House, the Hon. Member for Vancouver South (Mr. Fraser) and indeed his Deputy, the Hon. Member for Edmonton North (Mr. Paproski).

I would also like to extend my very warm welcome to the new Members who are serving in this Thirty Fourth Parliament. Their constituents have placed great trust in them, and I am sure they will never give them any cause to doubt that trust in either their motives or their convictions. It is my sincere hope that our new colleagues will derive as much pleasure from the proceedings of this House as I have during the past four years.

It was just a few short months ago that the people of Canada reaffirmed their support for the Prime Minister (Mr. Mulroney) and this Government. With the passing of the Free Trade Agreement, businesses across Canada and particularly in my home Province of British Columbia can now begin to plan for the months and years to come with the full understanding that they will not be undermined by wilful Government interference in the market-place.

This Session will be particularly challenging and rewarding to me personally as I have been tasked with the responsibility of serving as a Minister of the Crown, Associate Minister of National Defence. I can assure all Hon. Members that they have my commitment to serve this House and all Canadians with all the vision and vigour that I can muster.

I have heard some say that perhaps my appointment as the first woman to hold a defence portfolio is nothing more than sheer tokenism. I for one certainly disagree with that sentiment. My Cabinet colleague, the former Minister of National Defence, now the Minister of National Health and Welfare (Mr. Beatty), was in fact very important in breaking down the barriers to women within the armed forces. I am proud to carry on the work that he began after his appointment nearly three years ago. If my appointment by the Prime Minister is any indication, I would have to suggest that those internal barriers have finally disappeared. As Sir Winston Churchill used to say, this is not the end, this is not even the beginning of the end, but it is perhaps the end of the beginning.

The Canadian Human Rights Tribunal recently released its findings on an issue of fundamental importance to the Canadian Forces and for equality rights in Canada. The tribunal has ruled, as Hon. Members know, that there is no basis in law for the Canadian Forces to restrict the employment of women in either the regular or reserve forces except in submarines. This decision when implemented will open to women combat roles, both on land and at sea, roles which had previously been open to men only. I was pleased to announce on behalf of our Department that we would be fully implementing this decision over the next decade.

• (1520)

I want to stress, however, that the equality of opportunity for women in the Armed Forces is not a goal suddenly imposed. Rather, on the contrary, Canada has been a leader for almost 20 years in the employment of women in military service. Since 1971 when only 1,500 service women were permitted in the regular force, the numbers have risen to some 8,300 today. This represents almost 10 per cent of the current regular Force. Within NATO, Canada is second only to the United States, with 10.2 per cent of its military comprised of women.

The Department of National Defence has many proud traditions and I take much delight in my association with them, and the Minister, the Hon. Member for Kindersley—Lloyminster (Mr. McKnight). Together we have been deeply impressed by the professionalism and dedication of both the civilian and uniformed members of our Department. I would also like to commend both the reserve and the cadet groups across Canada who make up an integral part of our mandate. They have given me the warmest of welcomes, and they know they have no stronger supporter than I.

This Department is steeped with tradition, since the appointment of Sir Georges Etienne Cartier as the first Minister of Militia and Defence under Canada's founding Prime Minister, Sir John A. Macdonald. I believe it is a great challenge and privilege to be the first woman to join the ranks of such distinguished Canadians as Cartier, Mr. Brooke Claxton and Major-General George Randolph Pearkes, another British Columbian who was awarded the Victoria Cross while serving as a uniformed member of the Canadian Armed Forces, and indeed our former colleague, Allan McKinnon from Victoria, whom we miss very much in this House.

Some Hon. Members: Hear, hear!

Mrs. Collins: Our Armed Forces are known around the world for their particular talents as keepers of peace, and we in Canada have a very proud tradition in this respect. Yesterday morning I had the opportunity to visit with over 200 young men and women gathered in Petawawa who will be leaving later this week to join the UN peacekeeping forces in Namibia. This group was excited about the opportunities they will be facing. I was deeply impressed by the dedication they were showing to this very challenging task.

As they set forth across the ocean, I want to say a special word of appreciation to them and to their families who will be staying behind. We will be watching them with a great sense of pride as they work in this difficult and challenging situation. They follow in a tradition of similar groups, Canadians who have formed part of the peacekeeping operations in the Suez Canal, in Cyprus where Canada's own Commander Milner is now in charge of the peacekeeping force, and in the Golan Heights. We all wish them a very safe journey.

Another area of our Department I have a particular interest in and wish to encourage is our civilian air search and rescue associations. This responsibility was transferred to National Defence in 1976 and has flourished through a much needed blanket of safety across many remote areas in this vast country. The spirit of altruism shown by the men and women who serve in these associations is a welcome sign of compassion that is often too scarce in today's society.

I hope I can bring a more diverse face to our Armed Forces. As we invite more women to train for the Armed Forces, so too should we recruit more young Canadians from different racial and cultural backgrounds. For many decades, our country has seen the increased predominance of those who were not of British or French origin. Within our Armed Forces, however, such a mixture of backgrounds and heritages is not as strong as it should be. I believe the human face of our Armed Forces should reflect the ever-changing plurality and make-up of Canada. For an institution to be vibrant and dynamic, it needs to mirror the values and character of the community it is required to serve. We have an opportunity to build on the traditions of the past, exploring and accepting new ideas and thoughts that will in the long term make our Armed Forces a stronger and fuller player in Canadian life.

While we celebrate the opening of this session of Parliament we must not overlook another milestone that we, as a country, reached this past week. The North Atlantic Treaty Organization, NATO, just celebrated its fortieth anniversary, which has served as a cornerstone of our Canadian foreign defence policy. NATO was born in the aftermath of the Second World War and has continued to represent the benefits of collective security through 40 years of relative stability in Europe. NATO has been put to many tests, but the unity and determination of the Alliance has not wavered.

NATO provides a regular forum for interaction between different nations and has developed over its 40 years a very healthy economic and trading relationship. Many members of this House have participated in various NATO groups. They have talked to me about the tremendous opportunities and experience it has provided. Today, NATO provides for the common security of over 600 million people in 16 nations on both sides of the Atlantic.

If I might quote my colleague, the Right Hon. Secretary of State for External Affairs (Mr. Clark):

The modern era is marked by conflict, yet Europe, the region with the highest concentration of sophisticated weaponry in the world, is enjoying the longest sustained period of peace and stability since the height of the Holy Roman Empire.

An Hon. Member: Thanks to NATO.

Mrs. Collins: Thanks to NATO. That collective success is something in which we should all take pride.

As the Prime Minister said recently, we believe there exists in Canada today a profound desire to get on with the job of preparing a better future for our children and their children. This Government was elected on November 21 to serve our nation. Last week's Throne Speech was a map for the next four years of Government. It has often been said that when you do not know where you are going, any road will take you there. The Opposition is all too familiar with taking any which road, only to end up at a dead end. Our Government has a map that will lead Canadians along the road to continued prosperity, a road map that does not circumvent or miss the important elements that are necessary to every successful journey.

[*Translation*]

Mr. Speaker, this is a tall order and an enormous challenge, but will remain vigilant in our economic and social policies. I believe it will serve the interests of all Canadians in the years to come.

[*English*]

Over time, many issues will be discussed in this House. My constituents in the riding of Capilano—Howe Sound will agree with me when I say that perhaps no issue is of more importance at the moment than the protection of our environment. My home province is proud to bask in the splendour of nature's beauty. We are blessed with the expanse of the Rocky Mountains, the crispness of glacier-fed streams, the abundance of animals and marine life, and the grandness of the Sitka spruce trees in the Carmanah Creek Valley. We do not take our good fortune for granted.

The recent disaster of the *Exxon Valdez* oil tanker off the coast of Alaska brought home the delicate balance between nature and commerce. I was pleased to participate in the emergency debate held in this very place last Tuesday evening. I said that night and will say again, that no system can ever be perfect. This Government has learned from the mistakes of others and is prepared to deal with any difficulties that should threaten the coast or islands of British Columbia. I must remind the members of the Opposition who indicated the Government was somehow responsible for this tragedy that we on this side of the House are here for the sole purpose of representing the best interests of our constituents and to safeguard those delicate balances that contribute to the quality of our daily lives. As such, I can assure Members opposite, when I stand here and tell them that we will do everything in our power to prepare for any future disaster, that is the actual situation, plain and simple.

• (1530)

I too must answer to my constituents. As many of them live on the rocky shores of the Pacific or Georgia Strait, one can be sure that I am paying close attention to developments which come out of the Alaska oil spill, and the lessons that we must learn from this incident.

A concrete example of the commitment of the Government to foster economic development in Pacific Canada was demonstrated last year with the creation of a Pacific directorate of the Department of Supply and Services. On August 6, 1988 my colleague, the Hon. Member for Oakville—Milton (Mr. Jelinek), elevated the status of the office in Vancouver to that of a directorate. That means that British Columbia businesses can do business with the Government of Canada in British Columbia as opposed to coming to Ottawa. Combined with the Western Diversification Office in Vancouver, and the western procurement initiatives announced this past year, one can see that the situation is changing for the better. We can count on the determination of the Hon. Minister responsible for western diversification to bring the situation that much further to one of parity between all regions of Canada.

One aspect of the western economic development in which I have had a particular interest is that of the Asia-Pacific Initiative. This past week I was honoured to be appointed the lead British Columbia Minister responsible for this far-sighted program. It was conceptualized by our dear friend and former Minister for International Trade, the Hon. Pat Carney. With almost one year left in API's mandate, I have already begun to collect advice from the Blue-Chip Advisory Committee which includes members from the private, public, and academic sectors. The advisory committee has appointed task forces that are addressing opportunities and advising both the Government of Canada and the Government of British Columbia in the areas of international finance, trade, transportation, tourism, and cultural and social impacts, as well as the export of professional services.

All told, more than 100 senior volunteers from the private sector are engaged in some aspect of this operation. The Asia–Pacific Initiative has built strong links between our country and the many nations of the Pacific Rim which serve both our economic and cultural interests.

I am proud to be a member of a Government that is concerned about the long–term as well as the short–term development of our regions. We are committed to providing an atmosphere where people can be optimistic about their day–to–day lives. Our neighbours and our constituents have asked that we maintain the caring and compassionate aspects of our society. The Prime Minister (Mr. Mulroney) has promised that this will be done. I can assure all Hon. Members that nothing in the Throne Speech will undermine that commitment. Our Prime Minister is committed to supporting those who are in need of assistance, whether they be seniors, children, veterans, or the handicapped. However, we cannot continue to live beyond our means without inviting disastrous consequences. That is the other message which is so important to convey to Canadians today.

I hope that my own children, who are just reaching adulthood, and all children of Canada, will be able to enjoy the same benefits and opportunities that I have had. This will be impossible unless our generation of Parliamentarians comes to the realization that we cannot continue to spend freely and mortgage the birthright of those who are yet to come. Not to act now would be tantamount to making our children economic hostages and slaves to our own largesse. We cannot allow that to take place. We need resolve and determination if we are to develop the more productive and competitive economy that we have committed to in the Speech from the Throne. We shall bring forward measures in the Budget later this month which will diffuse the ticking time bomb of growing debt, and establish a new framework for fiscal responsibility that my children and yours demand of all of us.

Mr. Robinson: I would like to congratulate the Minister on her historic appointment as Associate Minister of National Defence, and to particularly commend her for the position taken by the Government on the decision of the Canadian Human Rights Tribunal on full involvement of women in combat positions within the Canadian Armed Forces. We welcomed that decision.

I would like to ask the Minister about another equality issue within the Canadian Armed Forces. The Minister will recall that she was a member of the special committee on Equality Rights which reported to the Government of Canada in 1985. It unanimously recommended that the Canadian Armed Forces bring its employment practices into conformity with the Canadian Human Rights Act, as amended, to prohibit discrimination on the basis of sexual orientation. The Member, now Minister, concurred fully in that recommendation of the committee.

In March, 1986, the Government promised to take whatever measures were necessary to ensure that sexual orientation was a prohibited ground of discrimination in relation to all areas of federal jurisdiction.

As the Hon. Minister knows, men and women within the Canadian Armed Forces who happen to be gay or lesbian still are not accorded full equality and justice. I would like to ask the Minister to confirm that the current policy within the Canadian Armed Forces is as stated in a written answer to a question on the Order Paper which I submitted last May. The answer of the then Minister was as follows:

> Current policy has been further modified in that the involuntary release, under Item 5(d) of QR&O Chap 15, of serving members actually engaged in the practice of homosexual activities has been suspended pending government consideration of the Canadian Force policy.

I would like to ask the Minister to confirm that that remains the policy of the Government of Canada. When will the Minister finally recognize the oppression and the cruelty of current policies? Men and women who are qualified and capable of serving their country have their careers in limbo, are not entitled to take part in career development programs, are not entitled to promotions, and their security clearances can be jeopardized. When will the Government finally recognize equality and justice for gays and lesbians within the Armed Forces? When will the Government finally live up to the promises that it made? When will the Minister live up to the commitment that she made as a member of a committee that unanimously recommended equality and no discrimination for gays and lesbians within the Canadian Armed Forces?

Mrs. Collins: I would like to thank my colleague, the Hon. Member for Burnaby—Kingsway (Mr. Robinson), for raising this issue on which we have certainly had discussions in the past. I recall our work together on the committee on Equality Rights during 1985 in which we discussed these issues at great length with Canadians

across the country. That was one of the reasons that I was particularly pleased that within weeks of my appointment I was able to make the announcement that women would be allowed full access to practically all occupations and trades in the Armed Forces. That certainly reaffirmed the recommendations of that particular parliamentary committee.

Many of the recommendations of that committee caused some concern at the time. I am sure my hon. colleague will recall that. However, in the fullness of time, and it may take some time for all recommendations to be implemented, they will certainly stand in good stead. I feel very proud of the work that we did in that committee.

I would also like to confirm to my colleague that what he has said about the existing policy of the Department of National Defence with respect to sexual orientation is indeed true. Following my former colleague, the now Minister of National Health and Welfare (Mr. Beatty), an appearance was made at the Standing Committee on this subject. At that time he made a commitment that there would not be any involuntary release of personnel because of their sexual orientation, until there was an opportunity for a full review. This was a change from the policy which had existed earlier that involved releases in certain situations.

Since my appointment I, and the Minister of National Defence (Mr. McKnight), have been addressing this issue and asking for a review of the policy. I look forward to the opportunity to discuss it with my other colleagues. We will bring forward our report will make it known to Parliament in the fullness of time, which I hope is not too long in the future. I cannot give the Hon. Member a date, but certainly a review is ongoing and I am sure we will keep him well informed of its outcome.

• (1540)

Mr. Pagtakhan: Mr. Speaker, I would like to say that I have indeed derived pleasure from the proceedings of this House. However, I have also derived pain from the Throne Speech. It will impact negatively on the poor and disadvantaged of our country.

As Associate Minister of National Defence, can the Hon. Member in fact muster, as she said, with all vigour, the scrapping of all nuclear submarine programs?

Does the Associate Minister agree that the right to live is the beginning of human right as is stated in The Hague Declaration of last month signed by the Prime Minister (Mr. Mulroney)? If so, will she lobby Cabinet to promptly introduce legislation against induced abortion to protect the right to life of the unborn?

Will the Minister share with the House the position of the Government as to how it will handle and help the unbearable debt that Third World countries now shoulder?

Mrs. Collins: Mr. Speaker, I would like to thank my colleague for his question and I will deal with the different parts of it.

With respect to the issue of abortion, I am sure that if the Hon. Member has read *Hansard* over the past years he is well aware of my personal position on the matter, a position which I have held long before I was involved in politics. There is certainly no wavering from my position that this is a matter of choice for women.

With respect to nuclear submarines, I would like to give a little history on the matter. When the Government took office in 1984 we inherited a situation with respect to our Armed Forces that was utterly terrible. The morale was gone. There was no equipment. If one talked to many of the women and men who served in the Armed Forces they would have seen that it was really a dispirited group. That was as a result of 17 years of neglect under the former Government.

When we formed the Government we initiated the first review of defence policy which resulted in the White Paper on defence tabled in the House in 1987. As I am sure the Hon. Member will recall, we also introduced separate uniforms for the different commands. I must say that that has been a measure which has helped to reinstitute a great sense of pride in the men and women who serve in our Forces.

Uniforms are not enough. We cannot have soldiers, sailors, airmen and submariners without proper equipment. They do not have it. They have not had it. A major part of the White Paper looked at the equipment requirements of our Armed Forces to develop a plan to

refurbish them, to give them the proper equipment in order to do the job.

In the Navy, a number of alternatives were put forward. As the Hon. Member knows, we have the frigate program which is going ahead for the construction of a dozen frigates, the Trump program, the mine counter-measure vessels for our reserve forces and the proposed submarine program. If we look around the world we see that the navies of the world all have submarines. It has become the technology of modern navies. Yet Canada, with a tri-ocean coastline and despite 75 years of submarine service, has very outdated oberon-class equipment in the Oberons.

It was the recommendation the of White Paper and of the Department that we should embark on the construction over a long period of time—27 years—of a new, updated modern capability for our Navy in the focus of nuclear-powered submarines. As I said in the House yesterday, we are all facing the Budget which will come down on April 27. There has been a review process. Until we know what the resources will be for our Department we cannot make final decisions about the major capital purchases of a variety of items. I do want to say that the White Paper on defence continues to be the policy of the Government with respect to defence issues.

The Hon. Member asked me about our support to Third World countries. Quite honestly, I cannot think of any Government which has done more with respect to our involvement through CIDA and the involvement of the Prime Minister (Mr. Mulroney) recently on Third World debt issues than our Government. Our Canadian International Development Agency programs are looked upon around the world with tremendous respect. I look at the work it has done to ensure the improved role of women in Third World countries, something in which we have been a real leader in the various programs that we have developed. I look at the recent developments to decentralize CIDA, to put our people right out on the front lines so that they are knowledgeable about the needs of programs and the tremendous changes that have taken place, and the improvements in our international development programs since this Government has taken office.

I would think that the Hon. Member would want to congratulate the Government on the tremendous role it has played and the sense of responsibility it has shown toward Third World countries. This is in the interests of us all. We all know that unless we can see those Third World countries developing and providing more economic independence for themselves that in the future we will not have markets or good global economy. It is certainly in the interests of us all to help support those initiatives.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but her time has expired. The time allotted for questions and comments has expired. Before I recognize the Hon. Member for Victoria I have an announcement to make.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

QUESTIONS FOR DEBATE

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Mackenzie (Mr. Althouse)—Agriculture—Payment of compensation for drought/ Release of data; the Hon. Member for Burin—St. Georges (Mr. Simmons)—Fisheries—French overfishing/ Minister's position; the Hon. Member for Markham (Mr. Attewell)—External Affairs—Soviet Union—Plight of Refusnik.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her Speech of the opening of the session; and on the amendment of Mr. Foster (p.326).

Mr. John Brewin (Victoria): Mr. Speaker, I would like to begin by congratulating you on your re-election to the Chair. You have been a great credit to this institution. It is a matter of great pride for me personally to serve in this House under your Speakership. May I also say that I appreciate very much your personal courtesy on a number of occasions already in this new Parliament.

May I also congratulate the mover and seconder of the Address in Reply to the Speech from the Throne, the Hon. Member for Calgary Southeast (Mr. Richardson) and the Hon. Member for Bourassa (Mrs. Gibeau).

I would also like to extend my thanks to the voters of Victoria. It is a great honour to represent the community of Victoria and Oak Bay in this House. The constituency of Victoria has been represented by a diverse number of people over the more than 100 years British Columbia has been in Confederation. I suppose the most notable is the first Prime Minister of Canada, Sir John A. Macdonald. All of the Members until today have been either Members of the Liberal Party or the Conservative Party. We now have representing Victoria the first social democrat. I am very pleased and proud of that.

It is my intention to share the perspectives of the people of Victoria. I should say that I think the political evolution of Victoria is only a precursor to the political evolution of the country.

Victoria has the reputation of being a tweed curtain, a rather quiet and retiring place. In fact, it is a very creative, lively and imaginative community. I suppose all of us would be inclined to proclaim the geophysical beauties of our own constituencies, but Victoria is a very beautiful place.

We have a very dynamic arts and cultural community, and have had for many years, producing some of the finest artists and musicians in the country. It is perhaps for that reason that we are particularly upset with the Canadian Broadcasting Corporation for its persistent failure to provide even the minimum production and broadcasting facilities in Victoria. We have had 50 years of neglect. We are the only capital in Canada which has no radio or television production services, a fact we intend to remedy in the next few years.

I have had some very useful discussions with senior representatives of the CBC. I hope that in the next few years, with the active support of the people of Victoria, we will see a change in that direction.

• (1550)

We are a very active sports community. We have produced champions. It is partly because of that that we took interest in bidding for the Commonwealth Games in 1994. We are very pleased that in Seoul last September, Victoria was given the honour and responsibility of hosting the Commonwealth Games in 1994.

Victoria is a community with above average numbers of seniors, partly because of its commodious climate and its rich cultural diversity. Because of that we are in some respects on the cutting edge of a social change that all communities in Canada are going to face in the years ahead. As a result of a much higher percentage of seniors in the community, there is a need for changes in medical services, in transportation, in community services, in housing, and in policing.

As a result, we have a number of very important and innovative programs in Victoria which I think the country will do well to study. I particularly draw attention to the neighbourhood policing project that, with the support of the Solicitor General's Department, we are finding to be a most effective way of delivering police services in our community.

Having pointed to some of those, let me say that we are not without our problems. I suppose, in keeping with most communities outside the central part of Canada, we have particular problems with the quantity of jobs and the quality of jobs. We have persistently high unemployment and persistently high underemployment. The Minister responsible for employment was proclaiming with great enthusiasm the Government's record in job creation, but we have to look behind the numbers to see the kinds of jobs that have been created.

We in Victoria are as experienced as most other communities in Canada with the problem of low-paid, insecure jobs which do not challenge the minds and creativity of those who hold them. As a result we too suffer a drain of our young people from our community and the lack of challenge the job situation provides.

We are working ourselves on those problems, but I believe the federal Government has a major role to play in diversifying in a regional way the good jobs in this country and planning for the long run so that people can continue to live and work in the communities in which they grew up.

However, underlying what is generally for most people a reasonable standard of living is an anxiety felt all across this land, not for ourselves but for our children and our children's children, an anxiety about the future of this planet.

We hear on the news night after night about the ozone layer, the greenhouse effect, PCBs, oil spills, the destruction of our forests, many of which occurrences we see right around us. This fear is beginning to be reflected in the responses of all political Parties in Canada. I suggest that it is the critical issue before this Parliament.

As a result of this, I come to this Parliament with an agenda which includes a number of specific matters for the community of Victoria. At the top of the list are environmental issues, and a number of specific ones to Victoria include the requirement for land-based sewage treatment. We still pump raw sewage into the Strait of Juan de Fuca. It is a situation which all community leaders have concluded must stop. In due course we will need federal assistance to eliminate it. Studies are now under way by the Capital Regional District to see what the specific requirements are, but in due course in the next couple of years, we will be back to this Parliament and to the Government for assistance. The Government has provided assistance for Halifax. It must provide assistance in this area for communities such as Victoria.

As well, there are specific issues of economic development in which the federal Government is directly involved. I am thinking here of Ogden Point, the lands owned by Transport Canada. It will be a major source of development in the years ahead, and it will be very important for this Government to give sensitive attention to the development of Ogden Point.

Having said that, Mr. Speaker, let me move to what I believe is my mandate from the voters of Victoria, to raise issues of national importance with a perspective from our community. I am going to list and try to develop in the few minutes left to me five issues: First, the environment; second, Canada's role in the world; third, issues of national unity; fourth, the questions of national economic development; and fifth, questions of social justice.

On the issue of the environment, I was struck by the references in the Speech from the Throne to the environment, but putting that in juxtaposition with some references made earlier in the Speech to the free market economy. It was as if two different people had written these two sections of the Speech from the Throne. It made me wonder whether the Government has actually read the Brundtland report.

On the one hand, the Government committed itself to the virtues of the free market economy and, second, lauded the Brundtland report. Yet, the Brundtland report is a stunning indictment of the impact of the free market economy over the last 100 years. It is impossible to achieve the objective of saving this planet if we leave economic decisions simply to the workings of the market-place. The Brundtland report states very clearly that there is a place for the market, but it must be overridden by the community imperative of saving the environment.

As the Government moves along the path of increased concern for the environment, I ask that the Government take its concern to its logical conclusion. As we have had the specific issues put to the House during the last 10 days, in each case the Government's response was that it would act more effectively, more quickly. In that lies the long-term strategy for coping with the environmental crisis. No one in this House could believe that if the forests of British Columbia and Canada are left to the forest companies alone to decide we will have any forests left within the next 10 years. The only way that we can preserve the forests is for Governments at all levels to intervene and ensure that they are protected.

We have other environmental issues, but rather than deal with the specific issues, let me just outline some thoughts on a general strategy. The Government must crack down on polluters. The Government must encourage an orderly transition of industries which are recognized as damaging the environment. The costs of that transition cannot properly be expected to be borne by the employees, the workers, even the individual companies that are working in an area which we now see must be phased out. We must work in a planned, effective way from an environmentally destructive economy to an environmentally sustainable one. That transition will require careful, step by step planning. It will have to involve communities, companies, and workers. Plans will have to be put into effect to have a transition. The costs of that transition must be borne by society as a whole. Therefore it will be with great interest that I will be listening to the Budget two weeks from now to see whether it is in any way integrated into the imperative requirements for saving this planet.

• (1600)

We are fortunate in Canada to have economic growth virtually every year. A recession is when we slow down the rate of economic growth, but that economic growth as it is presently structured is leading us to environmental disaster. We must begin to see that there can be no increase in personal wealth for the top half of the earners in this country until we bring the environmental issues under control.

The Budget must deal effectively with consumer spending of those who already have too much. It must begin to divert the economic growth we are looking at over the next number of years toward saving the environ-

ment and distributing the goods and services that we produce in this country in a more fair manner.

I want to speak briefly about Canada's role in the world. This is a matter of great concern to the people of Victoria. We are proud of the fact that we have one of the largest peace walks every year in this country. We are a community that is committed to peace. We want to tell the Government that the time has come, given the dramatic developments in the Soviet Bloc, for Canada to take effective and vocal leadership in exacting from the West a flexible response to the initiatives taken on the other side of the Iron Curtain.

This planet has lived in jeopardy of nuclear destruction for 40 years. We have still not moved away from that particular danger. The world is still armed with 50,000 nuclear warheads. It is of crucial importance that we take this moment in history to try to move on both sides, now particularly in the West, to break down the arms race and step back from the abyss, to reduce our reliance on nuclear and conventional weapons.

We also want to see a reduction in the reliance on conventional weapons around the world. We want to see the Government regain the initiative in Southern Africa to rid the world of the evil of apartheid. We want to see the Government finally pay some attention to the needs and concerns of the peoples of the islands of the Pacific who now suffer from living in the world's nuclear backyard.

There are also issues of social justice and national unity. We in the West believe that it is critical that we bring Canada's aboriginal people into Confederation. We agree with the concept of a distinct society. At least I know the vast majority of my constituents believe in the concept of recognizing Québec as a distinct society as acknowledged in the preamble of the Meech Lake Agreement. However, we disagree vehemently with the Prime Minister's intemperate outburst of last week in his attack on the constitutional amendments of 1982 and the development of the Charter.

We say this is a time for patience on all sides of the House. We ask that those from central Canada and Québec in particular, now that Québec has reached a new maturity in Confederation, take a sensitive response and reaction to what is happening in western Canada. There is a deep sense in western Canada of being left out of the decision making.

The Government may say that that is unfair, but it is a view that is a deep-seated reality. The Government has not responded to that, including the Government of the Province of Québec. It is not enough to dig in one's heels on Meech Lake and insist that it be passed without change. There must be an indication of flexibility.

I am proud that this is a bilingual country. I do not agree with those who say that French is being forced down our throats, but it is an attitude which must be dealt with in an understanding way. The way in which Mr. Bourassa responded in December to the Supreme Court decision fell far short of that mark.

Let me address the issues of social justice since this affects the area in which I am critic, particularly that of Solicitor General. There are issues of grave concern to all Members who are concerned about issues of social justice. They include conditions in our prisons, the conditions among our native people, the loneliness of people who are aged, and the grotesque division of wealth in this country. Some people struggle to get the bare necessities. It is a fact in Canada today, I know in British Columbia, that children go to school hungry, and the Government says there is no money to feed them.

As I wind down my speech, I want to conclude by saying something I looked forward to saying since I was elected. I want to pay personal tribute to the Leader of our Party, the Hon. Member for Oshawa (Mr. Broadbent), for the service he has rendered to this country.

I was disappointed when he said that he would step down. I had looked forward to serving in this Parliament under his leadership. Every day that he intervenes in the House I am renewed in the conviction that he has a tremendous place still to play in the history of this country. I believe our Party does him honour and I know this House does him honour.

I am gratefully looking forward to the opportunity of serving Victoria and my country as a Member of Parliament. It is a tremendous honour and one which I believe all Canadians should have the opportunity to experience. As one who has been chosen to exercise that responsibility, I can merely say that I will do my best in this position.

Mr. Gardiner: Mr. Speaker, I too should add my thoughts to those of the Hon. Member for Victoria (Mr. Brewin) about our Leader and the contribution he has made to this country and our Party in particular. There is still the future to hear from the Hon. Member for Oshawa (Mr. Broadbent).

I want to congratulate the Hon. Member for Victoria and some of his close associates and friends on being awarded the Commonwealth Games for 1994 in Victoria. It will be a major event for his city and also one of which all of us from British Columbia are proud.

I would like him to comment on the question of our forests which, as I stated during the emergency debate on the massive oil spill off the coast of Alaska, is our greatest environmental heritage. I was pleased that the Hon. Member for Victoria at least mentioned forests in his speech, because we heard nothing about forestry in the Speech from the Throne.

Does he believe there is a train of thought on the government side—perhaps they are all empty cars—on the commitment made by the Prime Minister (Mr. Mulroney) time and time again about introducing legislation to create a full Department of Forests?

On January 30, he created the portfolio of Minister of State for Forests and said that legislation would follow. Would he comment on the regrettable statement by the Minister of State for Forestry (Mr. Oberle) who said that establishing a full Department of Forests is not a high priority of the Government.

Knowing the Member's concern about forestry and how it affects his riding, specifically Vancouver Island, does he see any concern about what impact that department may have on British Columbia and Vancouver Island?

Mr. Brewin: Mr. Speaker, at one point the Government seemed to commit itself to the idea of having a full department of forestry. That was before the election. It seems to have vanished from its agenda now. This is a matter of great disappointment to the people of our area in particular.

• (1610)

Forestry is British Columbia's number one industry and is perhaps one of the major industries all across Canada. We are finally beginning to recognize the damage that we have done to our forests. Those who have worked in the forests, loggers and members of a number of the unions which I have been associated as legal counsel over a number of years, have for a long time seen what the problems were. They are caused primarily by a lack of management but also by a lack of government intervention to ensure management.

One of the problems is if the Government does not set down any rules, then each company is virtually forced to do what it can get away with. Some companies have a slightly better record than others, but basically, all are driven by the bottom line, and it is their responsibility to their shareholders to try to extract as much as they can in the shortest possible time. This has left our forests denuded.

Even now, if one looks from Victoria toward Salt Spring Island, one can see that even the Gulf Islands are beginning to get caught. If one has an opportunity to fly across Vancouver Island, one will see that this is now becoming a major epidemic. This is happening in the interest of jobs now at the cost of jobs later.

It will be very important for all levels of government and the community to pull together to try to develop programs which will ensure that old growth forests such as the Carmanah Valley are preserved and at the same time ensure, to the fullest extent possible, that the first imperative is conservation.

The second imperative is, as far as possible, to get the maximum number of jobs out of our forests. This will include, for example, policies of prohibiting the export of raw logs and of ensuring the production of forest and lumber products here rather than abroad.

The Acting Speaker (Mr. Paproski): Since there are no further questions or comments, the time for questions and comments is now terminated. I recognize the Hon. Member for Lévis (Mr. Fontaine).

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, after every election campaign Canadians must expect a description of the Government's major policy orientations. We did that in 1984. After the victory of September 1984, we told Canadians we were going to create jobs, initiate economic renewal and enable Canadians to get jobs. This time again, we recently put forward and are discussing today our orientation for the next few years.

Firstly, Mr. Speaker, I would like to list and probably repeat the four major thrusts of our Throne Speech. First, to build a strong economy, encouraged by incentive and opportunity, an economy fully competitive among the world's trading nations and one in which all Canadians may share its challenges, risks and rewards.

Second, to strongly work out at preserving Canada's environment; to actively encourage increased public interest and involvement, and to give leadership and support to international efforts aimed at fighting the threats to this planet.

Third, to maintain a caring, compassionate society which will be able, through continuing economic prosperity, to meet its obligations and responsibilities to those who are less fortunate and in greatest need.

Fourth, to foster a confident sense of Canada's cultural and national uniqueness.

Mr. Speaker, the first item in our message, and one I consider to be the key to the others is a strong economy. And today I am happy to take part in this statement on our strong economy. I notice that my colleague, the Hon. Member from Langelier (Mr. Loiselle), the Minister of State (Finances), is in the House. Since I am sure he played a part in drawing up this economic statement, whose objectives and philosophy I share, I wish to congratulate him for having mastered, in a few weeks, the complexities of the subject.

Mr. Speaker, a strong economy means getting rid of the public debt. Last year interest payments amounted to $1,300 for every man, woman and child in Canada. For the average family, this works out to $5,000 annually or $400 monthly. This represents a big chunk in our mortgage payments, in our salaries.

Today, Mr. Speaker, $31 out of every $100 collected by Revenue Canada go to pay the interest on old accounts, in many cases, on old grocery bills.

As long as we must spend such a disproportionate share of our total resources on interest payments, the economy will suffer.

To bring the point home, Mr. Speaker, we spend on interest payments twice the amount we spend on pensions and other benefits for senior citizens. We spend nearly 11 million dollars on national defence, yet we spend three times that amount on interest payments on old debts. We spend 20 times as much on interest charges as on job creation programs. We spend 24 times as much on interest as on our regional development programs.

Mr. Speaker, these expenditures must cease. We must get better control of our economy and free ourselves from these interest costs and to do so, we must reduce our deficit. How can we reduce this deficit? We have various possibilities; one of them, which will probably be put forward in the next budget speech, is tighter control of our Government's spending.

When we took power for the first time in 1984, the deficit in our expenditure programs as such, those on which we could decide, including interest costs, was nearly $38 billion. We have progressively reduced it year by year to less than $30 billion. Since the budgets of 1987–88 and 1988–89, our expenditures are less than our revenues—and that is important—if interest charges are excluded. That means that if the Governments that preceded us had not run up such a large debt to keep power from one mandate to the next, we would not have to pay interest costs of over $30 billion today.

Of course, another way of controlling our deficit is to ask Canadians to participate more in what the Government is doing. The Minister of Finance will likely convince Canadians that everyone should pay for the mistakes of those who preceded us over the last 20 years. In the end, Canadians have to pay for the mistakes the Liberals made during all their terms in power, when they were in good economic times and continued to add to our country's debt. So all Canadians will have to tighten their belts some more.

Another way to reduce our deficit, and I am getting into specifics, is to modify our tax system as our Minister of Finance (Mr. Wilson) will probably do. Canada's tax system is lagging behind that of most European countries.

• (1620)

I suggest we gradually shift from income taxes to commodity taxes. We must also do away with certain taxes whose only effect is to thwart our economic development, and I have in mind the repeal of the 12 per cent tax on manufactured goods. This tax certainly does nothing to boost our exports because when we try to sell our products in the United States or elsewhere, they cost 12 per cent more. Another consequence of this tax is that it favours foreign imports to the detriment of our domestic producers, in the sense that the importer stands to benefit to the tune of 12 per cent on most of his imported goods because that tax does not apply to the products we buy from the United States or other countries.

The bottom line is that the Canadian manufacturer is the loser, too often to the benefit of his competitors elsewhere in the world. This levy brings in $15 billion a year to the Canadian Government, but it has to go.

Finally, another way to trim our deficit would be to gain better control over inflation so as to make our economy even more prosperous. Sure enough, a lot of people in the Opposition speak out against the official position of the Minister of Finance (Mr. Wilson) in his fight against inflation.

You know, Mr. Speaker, the easy way out would be to signal to the Canadian economy and the various interest groups that no attempt is to be made to control inflation. All we need do is print more money. In the short term this would relieve some of the pressure on rising interest rates because the more money is available, the more lenders lend and interest rates would have to come down.

Should that happen, within a short time—a few months—demand for goods and services of every description would increase because people would have more cash to spend. This higher demand could not be met by the supply, that is by people who make the goods and provide the services.

If you have a given quantity of goods in stock and people want more, you have two options: either you produce more or you raise prices to set a new demand level. With this kind of scenario we would soon find ourselves in a period of raging inflation which would be just as disastrous as what we experienced early in this decade. A policy to control and prevent inflation is therefore a means of controlling our deficit.

Finally, another system that will be put forward in a few months by our Minister of Finance, with whose goals and philosophy I could not agree more, is the value-added tax. That tax will bring the Government the equivalent of the revenue lost because of the lowering of other taxes. The value-added tax will bring the Government $23 billion when implemented, but those $23 billion will not bring one additional cent to the Government of Canada. They will replace $15 billion derived from the tax on manufactured goods. They will replace an estimated $3 billion lost because of tax reductions granted to some individuals.

And also that tax will replace another tax on certain personal tax benefits that were allowed under certain conditions, for a total $23 billion reduction in revenues derived from our present tax system in the areas of income tax and taxes on manufactured goods, in exchange of which the Government will collect $23 billion from the value-added tax. This will not be peculiar to Canada. It is a trend in the Western world. It is a trend in the free world and, for the benefit of my colleagues from the Socialist Party, let me tell them it will become—an income tax will probably be levied soon in the Soviet Union because they have decided among other things to understand and find it valuable to their economy to use certain principles of modern capitalism.

Finally, another solution to balance our budget and reduce the deficit and foster better economic renewal is the continuation of our privatization programs. You know that overall, Crown corporations still end up costing nearly $4 billion and a half to the Canadian taxpayers. Is it normal to ask every Canadian taxpayer to shoulder the unprofitability of certain Crown corporations in a context of economic difficulty? I do not think it is. Our government is sending out a clear signal. We will pursue our policy of privatization because, as Conservatives, we believe that the business community is better able to assess the appropriateness and profitability of an investment, to harness the human and material resources required to produce goods and services in Canada.

We maintain that bureaucrats cannot do this from their offices. Because we believe private enterprise is much more imaginative, much more in touch with reality, we intend to continue giving it greater responsibilities in the management of big corporations which were once owned by the Crown.

There is another major point. We all heard this morning the speech given by the Minister of Employment and Immigration (Mrs. McDougall) on the new direction of unemployment insurance programs. Questions come to mind. Canadians from coast to coast often ask themselves about this or that individual who systematically misuses unemployment insurance. These abuses must stop. On the other hand, the Minister stated quite clearly that the government must continue to ensure the security of those who have lost their jobs through no fault of their own. But the government will question more and more the appropriateness of helping those who chronically misuse the system. We must put a stop to this abuse by any Canadian citizen from whatever region. Here again, we will set things straight while caring, as I have said, about those who really need unemployment insurance. On top of that, the Minister said that she would strive to help in the development of our human resources who, because of rapid technological changes, would not have been able to adjust to the lifestyle and jobs of today. Measures to help those people were announced this morning.

Another thing: as a Member of Parliament, I often receive in my riding office people who are entitled to 40 or 45 weeks worth of unemployment insurance benefits. They tell me that they are thinking of starting a small business with their brother-in-law, their friends, their old boss, their son or their daughter. So I went to the unemployment insurance office where I was told that, if I

started a small business, I could no longer collect unemployment insurance because I would be unavailable for work. Well, the Minister solved that problem.

An important point made by our Minister of Employment and Immigration in her speech was that anyone eligible for benefits that can amount to $8,000, $10,000, $12,000 or $14,000 can now submit a business plan to the Employment Canada officer and if that plan is considered valid, Employment Canada will immediately give the applicant who wants to start a small business the benefits he or she would have received over 30, 40 or 50 weeks. It is another advantage. Under the old rules, the budding entrepreneur would have lost that money. Now he or she can keep it and may even become a reliable employer and Canadian producer of goods and services. That is cooperation with Canadians. It is a message that we Conservatives have trusted small, medium and big business. We give the unemployed who have difficulty starting a business the opportunity to become employers.

• (1630)

Mr. Speaker, another message. You know that Canadians attach great importance—and it is becoming a matter of life and death throughout the world—we must stress environmental protection more and more. And speaking of the environment, the Speech from the Throne says:

> Protect the environmental integrity of our Arctic regions.

And that, Mr. Speaker, gives us a certain opening, for two reasons. These days, many use environmental reasons to criticize the plan to build nuclear-powered submarines. Everyone knows, Mr. Speaker, that whenever a problem occurs in Canada, either someone is lost in a forest or on a hunting trip or a search mission or someone is lost at sea, the Canadian Forces are called on immediately. If the Canadian Forces had nuclear-powered submarines, instead of asking questions that today cannot be answered. . . Because recently, we saw Arctic mammals on television—and when I say mammals, I include humans—and it was observed that they were accumulating lead, PCBs and chemicals in their systems. At present, we have no way of controlling where that comes from. It is claimed that it might come from Arctic waters. But water in the Arctic is covered with ice twelve months a year. It should be realized the only way to check up on that is by way of submarines which we need, not only for military purposes but for the preventive and curative protection of our environment. The only means therefore is nuclear powered submarines.

Furthermore, Mr. Speaker, this can also have benefits for our economy, especially in the area where I live.

Finally, the Trone Speech refers to:

> . . . initiatives to clean up the St. Lawrence River.

It is a major economic link between the Great Lakes and the Atlantic. The St. Lawrence will remain the major economic link between the Great Lakes and the Atlantic, but in addition it will become a river of drinking water and this is a matter to which we attach certain priorities.

Finally, our Prime Minister's (Mr. Mulroney's) position concerning an agreement with the United States on acid rain is stated again. We know that unfortunately we are very good importers of American acid rain, and we know that even if we clean up our own house, we still need an agreement with our neighbors to prevent their acidic emissions. This is part of the Throne Speech message.

A third element in the Throne Speech is the message concerning a caring nation. There are three groups of Canadians: the young, people in the workforce and I consider us here to be part of the working force, and those who were our predecessors in our society, the men and women who made it possible for us to be here today. They need us today, and our message points to the continuation of our generous plans for senior citizens.

Mr. Speaker, I would have more to say on our Throne Speech—I could comment on our co-operation in the search for better agreements with the GATT, but I wish to let other Members rise and have their say on the Throne Speech. In conclusion, I suggest that a favourable evolution of our economy is everyone's business. We must all take part—each one of us must do his or her share, because only in this way will we continue enjoying a better quality of life.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I have always listened with great pleasure to the Hon. Member for Lévis who just gave us his views on the Speech from the Throne.

I must say I had trouble seeing nuclear attack submarines as beneficial to the ecology of my country. I found this rather hard to understand, and I am sure the Hon. Member would be willing to explain how an instrument of war could be beneficial to Canada's ecology, and more specifically, how the Hon. Member could possibly make such a statement, considering all the risks of having a vehicle, nuclear-powered or otherwise, in an environmentally sensitive area.

He also referred to the fact we would have to tighten our belts, saying we could not go on spending as if there was no tomorrow. I suggest we now have a good opportunity to save money by cancelling the whole nuclear submarine program which is going to cost Canadian taxpayers about $14 billion, even if they are ecological submarines according to my hon. friend opposite.

I have one last question, and perhaps he can answer all my questions at the same time. It's about this caring society. The Hon. Member referred to a caring society, and speaking as a Canadian, I think that in the past, we have had a society that I would call caring, at least compared to countries that do not have as many social programs as we do to help the needy.

Today, however, we heard the Minister of Employment and Immigration (Mrs. McDougall) say in her speech that unemployment insurance recipients would see their benefits cut rather severely, even if they had very few prospects of finding a job elsewhere.

How can the Hon. Member claim his Government advocates this caring society, considering the statements that were made earlier today?

Mr. Fontaine: Mr. Speaker, I would have been very disappointed if the Hon. Member for Glengarry—Prescott—Russell had not asked me a few supplementaries today. We are starting another four-year term together, and I wish him the best of luck. And I hope that at the end of this period, we will be able to renew our mandate together.

First of all, the Hon. Member mentioned the peace-keeping role and how it relates to the manufacturing of nuclear-powered submarines.

Mr. Boudria: I was talking about the ecological role.

Mr. Fontaine: He mentioned the peace-keeping role and the ecological role. I will deal with each one separately.

Because of the improvers state of preparedness of our country and the quality of our military personnel that Canada has enjoyed such credibility over the past decades as a military force and has been called upon as much as 35 times, I believe, not to wage war, but to keep peace. And to be effective as a peace-keeping force, a country must be credible and well equipped. This goes to show that peace-keeping and nuclear-powered submarines can go hand in hand.

Secondly, nuclear-powered submarines present no threat to the environment. They are no more dangerous than conventional submarines. As I have said, nuclear-powered submarines can, for days, weeks and months on end, travel under the polar ice cap conducting studies, taking water-quality samples, identifying sources of pollution which cannot be identified today because we cannot set up equipment there. And this is important because we see the effects of pollution on life in our northern regions.

Precisely because we attach so much importance to the protection of the environment, we need to go up there to see what is going on so as to avoid further accumulations of lead in Arctic life forms.

The Hon. Member wants to know how the Government can contemplate purchasing submarines at a cost of $14 billion. First of all, the Hon. Member for Glengarry—Prescott—Russell is well aware that these submarines will cost exactly $8 billion, and not $14 billion. He is also aware that this cost will be spread over a 25 year period, which represents an average cost of $300 million a year, and that this purchase is necessary because it is recommended by the experts of our Armed Forces. Mr. Speaker, we certainly hope never to have to use these submarines in time of war, just like my fellow citizens and I hope never to need the services of the police. But when the mayor of our town decides to purchase a more modern car for our policemen, I say it is a good thing for these policemen to have the proprer equipment in case I should need it. And nobody blames the mayor for purchasing this upgraded equipment for our policemen, although we would prefer not to have to use it, but we know it is available. The same situation occurs on a national level. We need police cars to patrol our streets; we need more advanced equipment at the Provincial level, and we need still more sophisticated equipment at the Federal level.

In his last question, he referred to a generous economy. He wants to know on what this generous economy is based. When the Liberals were in power, the Government was most generous in incuring debts which we, our children and grand-children will have to pay back. That was how they redistributed the unearned wealth of the State, by accumulating debts which now amount to $320 billion. That is how generous that Government was!

This Government, on the other hand, is being generous towards those men and women in our society who really need help; Mr. Speaker, we make it possible for our partners in the private sector to grow and make money. It is important to make money. We make it possible for them to make money. In turn, they will pay taxes, so that the Government will finally be able to share the earned wealth, instead of sharing debts which our children and grand-children who have no say about it, will have to pay back.

That is my understanding of a generous economy, Mr. Speaker.

• (1640)

Mr. Kindy: First of all, Mr. Speaker, I wish to congragulate you on your re-election. I think that the Edmonton North constituents made a good choice. I wish also to congratulate you for sitting in this House for the past 21 years. It is quite an achievement, and I hope that you will continue to seek the support of your constituents.

I certainly enjoyed the remarks made by the Hon. Member for Lévis (Mr. Fontaine), remarks which certainly reflect the policy of this Tory Government. Just the same, I should like to ask him a few questions, especially concerning Crown Corporations. He indicated that was one way we could bring down Canada's debt which now totals $320 billion.

Does the Hon. Member think that if we managed to privatize these corporations with a total value of some $13.5 billion, we could bring down Canada's debt while saving money, because we spend approximately $4 billion every year to operate them? That would make up a total of $17.5 billion. That is one of my questions.

I have a second question concerning the proposed value added tax. By the way, according to a study made in the United States, if that country wanted to institute a value added tax system, it would require approximately 21,000 employees more and cost $700 million to the US Treasury. In Canada, that would mean about 4,000 more civil servants, which would cost our Treasury, that is the Minister of Finance, something like $200 million, and all that, of course, in order to collect about $23 billion, as estimated by my friend, the Hon. Member for Lévis.

I don't normally object to reducing the deficit. It certainly is a good idea. But I wonder if, by applying an added-value tax, we would not be creating another layer of bureaucracy in the Department of Finance. Consequently, shouldn't we look at this problem from another perspective and try to find some other way to achieve a tax reform. For example, we could have a flat income tax rate of, let's say, 15 per cent. It would be simple enough and eliminate the need for more bureaucrats. Those are the two questions I wanted to ask the Hon. Member.

Mr. Fontaine: Mr. Speaker, in response to the first question of the Hon. Member for Calgary-North-East (Mr. Kindy), I would like to show you the results that can be achieved by privatization and I will use, as an example, the Canada Post Corporation. When we were first elected, in 1984, that corporation was losing $381 million. Nowadays, thanks to the guidelines we, in the conservative government, established for the management of this corporation, it is no longer in the red. I use this example because this corporation is now working in cooperation with the private sector, has increased the accessibility and quality of its services to private companies, and has succeeded at no extra cost to Canadian taxpayers.

We also found out other advantages in privatization, in the case of Canadair, for instance, a company, with de Havilland, that swallowed $2.3 billion because of the carelessness of the Liberal administrators who set them up. We made them private companies. Canadair has now increased its personnel. It exports some of its products abroad, and all of them, Canadair, de Havilland and Canadian Arsenals are now profitable and have hired more employees although our privatization objectives had met with objections. The Socialists and Liberals said at the time it was nonsense and that every one of the workers would lose his job. Quite the contrary! Nobody lost his job. Canadians have better jobs and more of them are working.

As for my colleague's concerns regarding the cost of collecting the added-value tax, I must inform him it is a matter that surely worries my colleague from Langelier who is Minister of State (Finance) (Mr. Loiselle). I must also point out to him that the Minister of Finance (Mr. Wilson) is working in co-operation with the representatives of the Finance Ministers of the ten Canadian provinces in an attempt to institutionalize a collection system that will take into account past experiments of previous systems, for example, the collection of tax on manufactured goods. Hopefully, there will be a very close and formal co-operation among provinces. Thus, we expect to reduce to a minimum the collection costs of the added-value tax.

[*English*]

Mr. Flis: Mr. Speaker, I want to compliment the hon. gentleman for taking part in the Throne Speech debate. However, I am sure he would want his copy of *Hansard* to set the record straight.

He grouped Canadians into three categories—the young, the active and the elderly, as if to imply that the elderly are not active.

On Saturday I delivered an Horizons cheque to a Mrs. Rae in my riding. She is 83 years old and no relation to the leader of the provincial NDP. She lives in an apartment complex in which the seniors have very little to do. Yet, at the age of 83, suffering from arthritis and walking with the use of a cane, she took on a project of setting up a program for senior citizens in two apartment buildings. She is more active than the young people the Hon. Member put in his active category. I think we should set the record straight in this House. Many of the elderly are just as active, and in fact maybe more active, than some of our young Canadians.

• (1650)

I wanted to pose a question to the Hon. Member. I am pleased that he did address the deficit problem, but I wonder if he would set the record straight. I am sure it will look nice in his *Hansard* when he sends it out to his constituents. What was the public debt when his Party took office in 1984, and what is the public debt today. Could he explain why in the best of economic times, from 1984 to 1989, at a time when Canada never experienced such good economic times before, at a time when his Government sold off many Crown corporations creating billions of dollars as revenue for the Government, why has his Government allowed the public debt to rise to such an extent?

I think his colleague in his question said the public debt is something like $320 billion. So I wonder if he could tell this House exactly what was the accumulated public debt in 1984, what is it today and why his Government allowed it to grow that much?

He blames governments over the last 20 years. Past Governments went through good times, but they also had recessions. They built in a lot of new programs, but here is a Government in the best of economic times boasting to Canadians how they are reducing the deficit while hiding under the mat what is happening to the public debt. This is the real issue here. Let us be honest with Canadians.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I will try to give short answers to the two questions of the Hon. Member for Parkdale—High Park (Mr. Flis).

In his first question he asked me to define what I understand by the young, the active, and the elderly. When I say active, Mr. Speaker, I refer to the group of people defined by Statistics Canada as being the men and women who, usually between the ages of 20 and 60 or 65, are considered in the labour force. That is the word economists and stastisticians use to refer to gainfully employed people.

As to the second question concerning the trend of the deficit between 1984 and 1988, I am very pleased to have this opportunity to explain why our deficit now stands at $320 billion. Why do Canadians have to pay so much for the deficit? Because for years on end—from the time the present Leader of the Liberal Party (Mr. Turner) was Minister of Finance—the Liberal Government systematically conducted its election campaigns on the strength of very expensive and very costly promises, and it had to pile up a series of deficits. So now we are paying interests on those loans.

When we took over in 1984 the economy was in such bad shape that we could not overdo it in terms of cutting expenditures and raising taxes. First we had to set the economy on an even keel. We did that, but we had no choice but continue to pay interests on the debts of our Liberal predecessors, and pay interests we did. Gentlemen, we had to service your debt and this is why we had to live with a soaring over-all debt in this country. Today, because of the irresponsibility of your colleagues and of your present leader, who was Minister of Finance when the deficits began to pile up. . . It is because of your irresponsibility that Canada has now accumulated a deficit of $320 billion.

[*English*]

Some Hon. Members: Time, time.

Mr. Speaker: Time marches on. Questions and comments are now terminated. Debate?

Mr. David Walker (Winnipeg North Centre): Thank you very much, Mr. Speaker. A Speech from the Throne is normally a time for a government to signal its concern about the state of the country, to outline the solutions that government intends to follow. All parliamentarians are concerned about the financial mess this Government has created, and we can understand this Government's preoccupation, if not downright panic, caused by the incompetence of its Ministers.

We also find it incomprehensible that the needs of so many Canadians are not even mentioned in the Speech from the Throne. It is not that those in need expect big chunks of money; they know that these are saved for Club Ritz Carleton, but think of the following: There is no mention of the homeless in this speech. Perhaps the Prime Minister (Mr. Mulroney) has changed his mind since the election when he said that one homeless person in Canada is too many. Maybe he now agrees with his former Minister of Housing who said that the homeless people do not want permanent homes.

The good intentions of the present housing Minister can do nothing to help those who are living under bridges or who are sleeping in doorways if the Prime Minister will not follow through on his commitment. Money has been spent by this Government to study this problem, but where is the money to solve it? It is certainly not on the streets of Winnipeg.

Also, Mr. Speaker, there has been no mention of the post-secondary education needs of native youth. Yet this Government is content to restrict access to education while saying they are prepared to give more money. They are saying you can go to school, you can get an education, but it has to be on our terms and you have to go where we tell you to go and study what we want you to study.

Even the Minister responsible for this mess follows this line. Those students felt they had no other means of protest other than going on a hunger strike, Mr. Speaker. If you want to talk to the Minister, you have to see him only under his normal conditions. I am not satisfied about this policy, and neither are the native communities across Canada. This is one of the most scandalous changes in the federal attitude toward aboriginal peoples, and this Government is going to let a generation of native students, whose only goal is to better themselves, pay the price.

[*Translation*]

Mr. Speaker, there is a lot of poverty in the city of Winnipeg and more specifically in my riding, especially among the elderly. According to official figures, 5,000 people in this group have an annual income of $7,000 or less. There is nothing for the elderly in the Speech from the Throne. The Government is doing nothing about this very serious situation. It proposes nothing.

[*English*]

Mr. Speaker, on speaking of the elderly in Winnipeg, and in particular Winnipeg North Centre, I am honoured to have an Honorary Officer of the House, Mr. Stanley Knowles, here listening to this address. There is nobody in the history of my city who has fought more arduously and more strenuously over the years for the elderly in Winnipeg North Centre than he has.

An Hon. Member: The Tories put him in.

Mr. Walker: That is right. The Tories have singularly kept Mr. Knowles alive and well, I believe. I would like to say, too, that if there is one admonition that I receive from throughout my constituency it is that if you do not behave yourself, if you are not as good as Stanley, you will be gone by the next election. So your name is very much on my mind, sir.

Mr. Speaker, there has only been a fleeting mention about the plight of agriculture in this country. In those three lines where it is mentioned, there seems to be more concern about the state of the nation's treasury than the state of the family farm. A study done by Brandon University forecasts there will be a loss of 4,600 family farms in Manitoba by the year 1996 unless something positive is done. Without these farms, more people will move from the small towns to the larger centres in search of jobs and opportunities. We have seen this Government's attitude toward those who are unemployed, who will be seeking retraining. There is no mention of that in the Speech from the Throne either.

This Government is also silent on the issue of human rights, international and domestic human rights. There was no mention of reducing or eliminating the apartheid regime in South Africa, no policy to replace the bungling that resulted in censorship in the Rushdie case, no word on a more humane refugee or immigration policy, nothing about the concern for employment or pay equity, not a single hint that this Government will follow through on its promise made in 1985 to include sexual orientation, a group prohibited from discrimination in the Canadian Human Rights Code. Silence is very convenient, but there are people out there in Canada, Winnipeg and abroad who are counting on this Government and this country to stand up and speak for them, people who live in fear of death squads or of repressive regimes, people who have families that they are worried about.

• (1700)

There are people whose economic dependence keeps them from speaking out against discrimination and harassment in the workplace. We hear a lot of noise now but there is nothing in the Throne Speech, the legislative agenda of the Government, to give those people hope.

The Throne Speech mentions nothing about two local issues that are of national concern. I am pleased that the Minister of Energy, Mines and Resources (Mr. Epp) is listening to this speech because I know he too is very concerned about the future of Winnipeg, although he does not appear there any more. The first is the National Centre for Disease Control.

The Government states that it is concerned with biotechnology, the fight against AIDS, research into diseases associated with ageing, and a focus on centres of excellence, but there has been no mention in the Speech about following through on this commitment. The commitment was made by the former Minister of National Health and Welfare, the present Minister of Energy, and we await further announcements because it is much needed for the city.

Another matter of equal concern to Winnipeg, to western Canada and the Maritimes as well, is the fact that the Speech from the Throne made no mention of ERDA agreements which need to be renewed immediately by the Government.

[*Translation*]

Mr. Speaker, I am very worried about the future of my city, and my province. There is too much unemployment in Winnipeg North Centre. During the past five years there has been no federal planning or investment to help remedy this problem. There is no new hope in the Throne Speech for Manitobans. They want the federal Government to play a more important role in the economic development of the city and the province. I say we need programs and agreements for agriculture, science and transport, and so forth. What will my city's future be under a Conservative Government?

[*English*]

If silence is sometimes convenient, it is also quite eloquent. By its silence the Government speaks volumes on its indifference to the plight of so many people in this country.

Who does the Government care about? Why does it want to govern? More important, for whom does it want to govern? Apparently it does not want to govern for the people of Canada but for interests that we keenly await to unfold in the next couple of years.

The Government masks its silence behind platitudes and carefully crafted statements with just the right amount of spin. It may pat itself on the back for such an accomplishment, but it is offering no comfort for those who live on the edge in our society and are in desperate need of help from our Government. This silence is deadening. This silence is deadly.

Mr. Boudria: Mr. Speaker, I would be remiss in my duties if I did not congratulate the Hon. Member for giving us such a fine speech this afternoon. I know that all my colleagues, in their usual objective view, will join me in congratulating him.

The Hon. Member comes from Winnipeg, a city which has chosen to elect a large number of Liberal Members. The good voters of Winnipeg should be congratulated as well for their thoughtfulness and wisdom in electing so many Liberal Members. I know they will be well represented in the next few years.

The good voters of Winnipeg have been particularly concerned about issues involving Canada Post. During the last few years we heard much about the so-called supermailboxes. I would hardly consider them super.

I believe that during the last Parliament we heard that people from Winnipeg had objected to the evaluation of their property during the assessment for the purpose of municipal taxes because they had supermailboxes in front of their houses. They said it lowered their property value. The Government denied such a thing and said the supermailboxes were beautiful. It was a great surprise to the Government, but a surprise to no one else, that the Assessment Review Court, or its equivalent in Manitoba, determined that the complaints were in fact correct. These supermailboxes were damaging the value of the property of those homeowners.

Does my colleague agree that the Canada Post policy on supermailboxes has been particularly unfair to those residents living in suburban areas or recently developed areas, who pay the same amount for postage stamps and other Canada Post services yet are offered an inferior service than counterparts living sometimes as close as one street away?

Mr. Walker: Mr. Speaker, as usual my colleague has a very effective way of questioning and raising an excellent point about the way we are governed in this country.

My colleagues from Manitoba will recognize that the suburban delivery of mail in Winnipeg North Centre is a most pressing issue. The delivery service throughout Winnipeg has suffered badly due to the actions of Canada Post in the last five years. Several complaints have been raised about the supermailboxes which quite clearly no one in our city considers to be super. They are both of great inconvenience in receiving mail and also a personal cost to those whose property they devalue. Of course, the closer one is to a supermailbox, the less value attributed to one's property. The argument made by Canada Post originally was the opposite.

I think the people of Winnipeg North Centre were punished by Canada Post for many years because the House critic on Canada Post often came from that constituency. I could not believe how poor the mail service is in Winnipeg North Centre as a result of actions taken by the Government. I cannot believe that a Crown corporation could have been acting so incompetently completely independent of the Government, but was merely carrying out the wishes of the Government that wished to silence its critic.

There are several senior citizens in buildings in my riding in Winnipeg who must walk several hundred feet in the middle of winter to get their mail. That is a very difficult proposition for them. Furthermore, the Government wantonly changes mail service from the morning to the afternoon without telling people. They often cannot get their cheques in order to get to the bank on time that day. Many people live at the poverty level in Winnipeg. That is not a minor inconvenience but a major one for them.

Although these problems have been raised with Canada Post several times, it has not been nearly as responsive as one might expect from a Crown corporation. I trust this will change in the future.

Mr. Kindy: Mr. Speaker, I listened with interest to the speech by the Hon. Member for Winnipeg North Centre (Mr. Walker). Since he was elected just last year, he has not voted on the Meech Lake Agreement. What is his response to the fact that the Province of Manitoba has not yet signed the Meech Lake Agreement?

Will he tell the House what his position would be on the Meech Lake Agreement? Does he believe that if the agreement is signed we will have valuable Senate reform in the sense that it would be an equal, effective and elected Senate? What is his position?

Mr. Walker: Mr. Speaker, again, that is an excellent question. I thank my hon. friend for raising it in the House.

We know that perhaps of people in all the provinces across Canada, Manitobans are most concerned about their Constitution. Presently we are in the middle of a series of hearings in Manitoba in which Members from the House and the Senate of Canada have taken time to speak to the provincial committee and express their views.

Members of the House have voted on Meech Lake in the past. It has not been raised here again. I am surprised that another Member would raise such a hypothetical question, knowing full well that the caucuses of all three Parties are firmly committed to Meech Lake.

Mr. Foster: Mr. Speaker, I thought it was very interesting that this afternoon one of the government Members said that the Speech from the Throne was a road map for the future. I know that the Hon. Member represents a Manitoba constituency and that agriculture is a very important industry in that province.

• (1710)

I wonder what the Hon. Member thought of the road map that was provided, since we are debating the amendment I put this morning which condemns the Government for providing only three lines in the Speech from the Throne dealing with agriculture, part of that devoted to saying that agriculture and farmers are an undue burden on the nation's Treasury.

The Wheat Board Advisory Committee held four meetings in Manitoba, one in Oak Bluff, one in Holland, one in Melita and one in Swan River. At the Canadian Wheat Board annual meeting in Oak Bluff, 117 voted against the decision of the Minister of State for Grains and Oilseeds (Mr. Mayer) to take oats out of the jurisdiction of the Canadian Wheat Board, and only 46 voted for it. In Melita, 77 were opposed to the decision and 15 were for it. In Swan River, the Minister of State for Grains and Oilseeds really struck out because 33 were opposed to the decision and one voted in favour of it.

Since the Hon. Member represents a Manitoba riding, I wonder what he thinks of the whole procedure used by the Minister of State for Grains and Oilseeds who announced unilaterally, without discussion or consultation or the support of major grain producing farm organizations, that he would remove oats from the jurisdiction of the Canadian Wheat Board.

Mr. Walker: Mr. Speaker, I would like to thank my colleague for raising this question. In the last few years he has spent many months travelling throughout western Canada being a very effective representative of the interests of western Canadians. I dare say that if it were not for his interventions in the House, Canadians would not have a proper understanding of the importance of agriculture to the western and the Canadian economies.

The Hon. Member raised two points. First, he said that for some reason agriculture is now considered to be an undue burden on the Treasury. I have searched through several Speeches from the Throne, including those of the so-called hated Liberals who never paid attention to western agriculture, and never has a Liberal Government ever described agriculture as an undue burden on the Treasury. Traditionally, the National Treasury has respected the needs of farmers and has done everything it can for the farmers of Canada. We now find ourselves in a situation in which we are anticipating severe negative reactions and actions from the Government based on this notion of an undue burden represented by western Canadian farmers.

I am very curious about what the Government plans to do. More important, I am very interested in finding out what the response will be over the next few months of western Canadian politicians from the other side of the House as we begin to see what the Prime Minister means by an undue burden. Our city's economy is very dependent upon the health of the agricultural community, and I can say right now from representations I have heard that many farmers across Manitoba and the West are very worried about what this will mean to them.

Regarding the Hon. Member's second question, the arbitrary nature of this Government came into full public view when we saw how oats were treated. The Minister responsible for the Wheat Board, and to my surprise he is still responsible for it, arbitrarily announced the removal of oats from the Wheat Board. Some farmers agree with that decision and some disagree with it, but they were unanimous in their condemnation of the process. A Minister should not touch an organization as important to the western Canadian economy as the Wheat Board which has been there for close to 50 years and should not arbitrarily remove one of the most important commodities in western Canadian agriculture.

People say that the volume of oats is not large, but that is not the issue. In a symbolic sense, all the commodities handled by the Wheat Board are very important. I was very sorry to see the Minister make this decision without proper consultation.

Those of us who are not involved directly in the rural economy but who pay attention to it and want to represent it properly in the House were astonished to have to hear representations after the fact when we were powerless to do anything. It should added for the record that the Minister made this decision very callously when the House was not sitting so he would not have to respond in public before us for his actions.

Mr. Epp: Good for him.

Mr. Walker: You may say "good for him" and it may be good for the Minister to be arbitrary. Perhaps the government side—

Mr. Epp: It was good for oats.

Mr. Walker: Perhaps the government side really thinks it is proper to govern without Parliament. However, traditionally, Canadians have looked forward to hearing questions asked of Ministers in the House of Commons. It is unfortunate that we are still here, but we are still here and we will continue to represent western Canadians more properly than the Government will.

Mr. Pagtakhan: Mr. Speaker, I would like to make a brief comment and to ask my colleague from Winnipeg North a question on the issue of human dignity.

The Acting Speaker (Mr. Paproski): The Hon. Member will have to make a very brief comment. I have been very tolerant. If the Hon. Member could just come right to the question, I would appreciate it.

Mr. Pagtakhan: There are still wasted talents, not only among immigrants and new citizens who yet cannot practise their trades and professions because the federal Government has failed to take the leadership to allow this to happen. The Minister of State for Multiculturalism and Citizenship (Mr. Weiner) is present and the Multiculturalism Act has been passed. I was assured by a previous Minister for Multiculturalism, the Hon. Jack Murta, that that Act could provide a mechanism that would allow the orderly accreditation of foreign credentials.

I would ask my colleague if in fact this is—

Mr. Epp: Mr. Speaker, I rise on a point of order. With respect to my colleague from Winnipeg, I believe it is well established in this House that questions relating directly to jurisdictions other than that of this House and the federal Government are not within the purview of this House.

The Acting Speaker (Mr. Paproski): In this particular case, the question is related to the speech made by the Hon. Member, so I see no problem with it. I would hope that the Hon. Member would answer the question.

Mr. Pagtakhan: Mr. Speaker, I would like to ask my colleague if in fact he shares my views.

Mr. Walker: Mr. Speaker, as you noted in the intervention, the federal Government chooses its most narrow definition of its responsibility whenever possible. There is an appointed committee which looked into the problem of accreditation among professionals in the new immigrant communities. That committee reported back to the federal Government saying that actions should be taken to increase the opportunities for new Canadians to get into their professions in Canada.

We saw today what the federal Government does. It ditches things on to the provinces so quickly that it does not have to do anything itself. This is a case in point. There should be some leadership on the part of the federal Cabinet on issues relating to the proper employment of new Canadians so that their accreditation is recognized. The federal Government should use its status and its moral authority to make it possible for new Canadians to get proper jobs.

We make no apologies for asking the federal Government to move on this issue.

Mr. John Reimer (Kitchener): Mr. Speaker, I begin my comments on the Speech from the Throne by first congratulating you, Mr. Speaker, for your re-election to the House and for your appointment as our Deputy Chairman of the Committee of the Whole.

In commenting on the Speech from the Throne, I would like to begin with an economic theme and place it within the context of where we have been and what has been achieved over the past four years, as well as where we are heading now as indicated by the Speech from the Throne.

Since September, 1984, 1,432,000 jobs have been created. To put it another way, from 1984 through to 1988, more jobs were created in Canada than in all of the following countries combined: West Germany, France, Sweden, Belgium, Greece, Finland, Ireland, New Zealand, and Australia.

• (1720)

The national unemployment rate has fallen from 11.6 per cent to 7.5 per cent. In total, Canada's economy has expanded by 19 per cent. In real terms, after taking into account inflation, the economy has expanded by 19 per cent since September, 1984. Business investment in new machinery and equipment has climbed by 76 per cent since 1984. New orders in manufacturing have climbed by 33 per cent. Some 223,000 homes were built in 1988 compared to 135,000 in 1984, the year we were elected to our first mandate.

The number of Canadians living below the poverty line has fallen by 549,000 since 1984. Not only is that figure remarkable and important, but it includes 179,000 fewer children and 61,000 fewer senior citizens. In looking at the Canada–U.S. Free Trade Agreement, it will do much to improve our economic performance.

The Finance Department study concluded that the agreement should lead to the creation of 120,000 net new jobs, while the Economic Council study forecasts 250,000 net new jobs by 1998 over the 10–year phasing–in period of this agreement. With the victory of the Conservative Government, new investment has increased dramatically in my riding and in the cities surrounding my riding of Kitchener—Waterloo, Cambridge and Guelph in southwestern Ontario.

When I look at the question of investment, total capital spending by business is expected to climb by 11 per cent this year, including a 21 per cent increase in manufacturing investment. In the 12 months following the negotiation of the Canada–U.S. Free Trade Agreement, the annual rate of investment in new machinery and equipment climbed by 17 per cent in real terms, after taking inflation into account. To put this in perspective, 17 per cent in one year exceeds the total growth of 12 per cent that occurred in the four and a half years between 1980 and 1984 when the Liberals were in power. The annual number of small business births has climbed by 35 per cent since 1984.

Inflow of direct foreign investment doubled between 1984 and 1988. In my riding and the neighbouring ridings around me, it is difficult to find labourers for construction work to complete many of these construction projects.

Of these 1,432,000 jobs that have been created since September of 1984, including 86,000 in the first three months of this year, 85 per cent of those jobs have been full time. In contrast, 89 per cent of the jobs created by the last Liberal administration were part time.

When I refer to the number of jobs created during the term of this Government, I do not want to suggest that this Government created those jobs. Governments do not create jobs; people create jobs.

What Governments do is create a climate for investment and initiative where people take it upon themselves to create jobs, or Governments bring in policies that reduce that initiative, frighten off new investment and lessen the ability of individuals to create jobs. I am simply stating figures during the time of an administration.

Let us look at job creation as it affects women in our society. Some 807,000 more women are working today than in September, 1984. The unemployment rate for women has fallen by four percentage points since the election, from 11.9 to 7.9.

In comparison, the rate increased by 3.3 points under the last Liberal administration, from 8.6 to 11.9. Perhaps more significant, between 1984 and 1988, the number of women working in managerial and administrative positions climbed by 50 per cent. Managerial and administrative positions accounted for one-quarter of the jobs created for women between 1984 and 1988. Including occupations such as teaching, medicine and law, almost half the jobs created for women between 1984 and 1988 were of a managerial, administrative or professional nature.

If we look at youth unemployment figures from 1984 through to today, that rate has fallen from 18.2 per cent in September of 1984 to 10.6 per cent, its lowest level in 14 years. I was struck by an article in the *Kitchener-Waterloo Record* entitled "Students to enjoy a boom in summer jobs". The writer of the article had gone to post-secondary institutions in the neighbouring riding of Waterloo. In talking to people at the universities, he found the following:

> Jan Basso, the director of career services at Wilfrid Laurier University, estimates summer-job availability is up by as much as 10 per cent in 1988.
>
> In addition, Basso said salaries seem to be higher, with many more jobs in the $7-to-$8-an-hour range.
>
> "There are lots and lots of (summer) jobs out there", added Kerry Mahoney, assistant supervisor of the University of Waterloo's career resources centre. "Any student wanting a summer job this year should be able to get one. Many students can be quite particular, especially if they do their research and if they started early."
>
> The increase in the availability of career-related jobs is particularly promising. Sharon Keogh, Conestoga College's career and placement services manager, said jobs range from general labour and clerical to career-related types in everything from construction to computers and accounting.
>
> Thanks to a strong economy, placement officers with post-secondary institutions say the summer of '89 promises to be a very good year indeed. They say it's going to be even better than 1988, which was considered an exceptionally good year.

A major theme in the Speech from the Throne was the need for deficit reduction. The last Liberal Government, when it was in power from 1980 to 1984, increased spending by an average annual rate of 15.1 per cent. Under this administration, from 1984 to 1988, that increase in spending of 15.1 per cent was reduced to an average of 4.3 per cent, or about equal to inflation. If this Government had continued in 1984 at the Liberal rate of spending, the deficit would not have been reduced from 38.3 down to 28.9, as we expect for this year, but the annual deficit for this year would be about $58 billion higher or approximately $87 billion this year.

We can see what has been achieved and where we have come from. When we took office in 1984, the Liberal Government was spending approximately $16 billion more than it was taking in through taxation. This administration significantly reduced that excessive spending in its first year from $16 billion down to $9 billion, to $3 billion, to $1 billion, and in the past year to $4 billion.

Although we have taken positive action in reducing the amount we are spending compared to the amount we are taking in, it is not good enough because we are constantly adding to the debt. We are adding to the interest we have to pay on that debt. It is a good start, but it is not good enough because we are still adding to the problem. That is why it is essential that government spending is cut, that we increase taxes, and that we continue to promote an expanding economy to create new wealth and tax dollars to help us to address that problem. We can then reduce the annual deficit to the point where we are creating a surplus and can finally begin to attack the national debt to which we keep adding every year. The Speech from the Throne highlighted this issue in sharp focus. It stated that 31 cents out of every dollar that comes into the federal treasury goes to pay interest on the debt. If action is not taken, that will escalate and climb.

• (1730)

Another major theme in the Speech from the Throne was the topic of the environment. Over the last decade it has become very clear that the world is facing an environmental challenge of unprecedented magnitude. It is not productive to sit around and blame one another. It is time for action. If any topic deserves non-partisan treatment, it is this one. We are all to blame, and we must all take action.

During the election the environment emerged as one of the primary issues. Of course, free trade was the prime issue, but the environment was second. In my riding, if the questions were not about free trade, they were about the environment.

The opposition Parties dismissed the record of the Government, but it has proved its commitment to the environment with action and not mere words. In the Speech from the Throne the Prime Minister (Mr. Mulroney) made a commitment to include the Minister of the Environment (Mr. Bouchard) as part of the strategic planning and priorities cabinet committee.

Let us review the performance of the Government, where we have come from and where we are heading on this issue. To combat acid rain, the Government passed the toughest car and truck emission control standards in the world. During the last mandate the Prime Minister was able to obtain a commitment from the former President of the United States. It was the first commitment to American-shared responsibility for the problem of acid rain, and also a pledge to spend $2.5 billion to fight acid rain. We are all encouraged by the new administration under President George Bush, and also by initiatives taken in Congress that show a willingness to go further and begin to attack the problem of acid rain. Agreements have also been signed between the federal Government and the provinces to cut acid rain emissions in half by 1994.

Canada also initiated and gained the first worldwide agreement to protect the ozone layer at an international conference held in Montreal in 1987. In 1988, the Government passed the Canadian Environmental Protection Act to ensure that Canadians have a right to a healthy environment.

In the Speech from the Throne we see it is our goal to develop policies that reflect the concept of sustainable development. "Sustainable development" are two very important words which came to us from the United Nations commission which looked at the question of environment and development. I was struck by the words of Prime Minister Brundtland of Norway whose landmark report on environment and development was produced at the United Nations. She had the following to say about Canada and the environment:

> Canada was one of the commission's midwives, one of its strongest political supporters. Few other countries have contributed so greatly to the report as Canada. . .and Canada reacted most strongly and positively to our report, not least by establishing the task force on environment and economy, a unique body in modern policy-making.

The international community is looking at this issue very seriously and when commenting on Canada has stated that a good start has been made.

In the Speech from the Throne there are other initiatives. For example, in Winnipeg there will be the creation of a centre for international promotion of sustainable development. We will hear more about the round table on environment and the economy, chaired by the President of McGill University. The Minister of the Environment (Mr. Bouchard) has been given new responsibilities to ensure that environmental issues are fully considered in the course of all government decision-making.

Environmental protection is not only the job of governments. It is the responsibility of each and every one of us. That is why the Speech from the Throne also stated that we want to encourage individual Canadians to become more aware of the environment with the establishment of an environmental partners' fund, the promotion of environmentally friendly products, and programs to encourage recycling.

I was encouraged by another theme in the Speech from the Throne regarding policies to strengthen the family unit. For too long the family has been neglected by government. I applaud the Prime Minister for his emphasis on the family unit, Canada's basic social institution. After all, the family unit is a fundamental building block of society.

The Government has and will continue to take important steps to curb the abusive influence of drugs upon society. The Prime Minister was truly visionary in his past assessment that drugs were approaching an epidemic level. Therefore, through government initiatives, a commitment was made to spend $210 million on a five-year ongoing program involving five different ministries to fight drug abuse. Without his leadership and the initiatives which he began, Canada would undoubtedly be fighting a battle of even greater magnitude.

I was struck by a small booklet on Canada's youth entitled "Ready For Tomorrow". It was commissioned by the Minister of State for Youth and Fitness and Amateur Sport (Mr. Charest). It is a very good attitudinal study on young people aged 15 to 24. In this age group the young people value certain things as being very important. Although the family was not at the top of the list, it still received a strong two-thirds recognition of being very important in their lives. That is significant.

Those young people are very optimistic about future prospects for traditional marriage and of the family unit as we have always understood it. Some 69 per cent think it is very likely that they will stay married; an additional 29 per cent think it fairly likely they will keep that commitment to the same person for life. Only four in 1,000 think it is likely that they will experience separation and divorce. We would all welcome that statistic.

We should encourage Government and all departments, specifically the Minister of National Health and Welfare (Mr. Beatty), the Minister of State for Youth and Minister of State for Fitness and Amateur Sport, the Minister of Finance (Mr. Wilson), and the Minister of National Revenue (Mr. Jelinek) to ensure that all policy decisions taken will help these young people and others, and will help the family unit and contribute to strengthening that unit within our society. I am also encouraged by what the Government has planned to assist in strengthening the family.

I am disappointed that the plague of pornography was not mentioned in the Throne Speech. As a caring and compassionate nation, we must be committed to the eradication of this harmful material. Pornography, like drugs, affects all Canadians, especially youth. Like drug abuse which begins with softer drugs and leads to harder and more damaging drugs, pornography begins at a softer level and progresses to a hard-core level. Extensive research indicates, beyond any reasonable doubt, that pornography is addictive, pornography desensitizes, and if allowed to escalate, hard-core pornography can lead to harmful acting out of that which is portrayed. I strongly urge the Government to bring back one of the two Bills introduced in the last term and that we deal with this question.

• (1740)

Mr. Speaker, you have signalled that I have but one minute left in my allotted time. I am encouraged that the Government will deal with the very difficult and divisive question of abortion. We know it is a difficult question. I am encouraged that it will deal with it. I am prepared to face the responsibility of doing so.

I urge that we as Members of Parliament set an example to the nation and that we all remember something. Let us remember where we are. Let us remember who we are. Let us remember the trust that has been placed in us. Let us govern our behaviour accordingly so that when the country views us in action here, its respect for this federal institution will increase, as well as its respect for Members of Parliament. I may be a bit too optimistic and a bit naive but I still think it is a very high calling to serve one's fellow man in public office. I think it is time for us to all unite together to make sure that when people look at us they say: "That is true, and I would like to do that some day too".

Mr. Foster: Mr. Speaker, I was impressed with the comments of the Hon. Member for Kitchener (Mr. Reimer) and how committed he is to the neo-Tory agenda. The Minister of Finance (Mr. Wilson) said today that he really did not make any campaign promises, he only made spending commitments. If they are spending commitments then they were made before the election was called. That sounds as if none of those commitments can be broken. But to listen to the Hon. Member for Kitchener, it sounds as if he would like to break as many of those commitments as possible and consider them as promises. I would be interested to know which of the spending commitments catalogued in *The Globe and Mail* of April 10 he would like to see broken so that he can implement the agenda which he seems to have been spelling out in his speech.

For instance, there is the Hibernia oil field development and $1 billion for the OSLO oil sands project in northern Alberta. There is $800 million over 15 years for the Newfoundland Railroad. There is $515 million over five years for regional development in Quebec. There is $420 million for all-terrain vehicles for the Canadian Forces, as well as $400 million in new equity for the Farm Credit Corporation. There is $400 million for the federal share of the Husky Oil upgrader in Lloydminster, $250 million over five years for the Canadian film industry and $1 billion in additional support for farmers. Since we are debating an amendment which I put relating to farmers, I would be interested to know what the Hon. Member's position is on that one.

There is $150 million for construction of a natural gas pipeline to Vancouver Island, $129 million over five years for AIDS research, $110 million for the clean-up of the St. Lawrence River, $110 million for the national campaign against illiteracy and $88 million for support and adjustment for the grape and wine industry in Ontario and Quebec as a result of the free trade deal. Of course, there is an $8 billion price tag for the new nuclear submarine program.

Obviously, the Hon. Member for Kitchener is very determined that the Government should not keep these commitments, as outlined in his speech. I wonder which ones he thinks the Government should break. It seems evident that the Government in its Budget on April 27 is planning to break some of these, not promises but commitments that were made before the election was called last November.

Mr. Reimer: Mr. Speaker, in response to the Hon. Member for Algoma (Mr. Foster) I would like to say that the Minister of Finance (Mr. Wilson) has an excellent record, if we consider his Budgets over the past four years. At those times he brought with him his figures and his spending projections and just where the deficit will be at the end of that time. If I am not mistaken, three out of the four times he was below what he projected and did better than he thought he could do. The other time I believe he was just slightly over. That is a far cry from what we used to see between 1980 and 1984.

I think that if the Hon. Member were to read the whole article he would have noticed that the Minister of Finance indicated that those commitments were made, and that they were called commitments as opposed to promises because each one was budgeted for. Each one was in a Budget of the federal Government. Therefore, he knew that the spending and the requirement for funding was there and accounted for. If the Minister of Finance were here he would echo what I am saying right now. He would say that we have already planned for those expenditures and that they are in the Budget. That is why they are a commitment.

We all know that the Minister of Finance, on behalf of us all, has to deal with the fact of the deficit. He has to deal with the fact that 31 cents out of every dollar taken in goes to pay interest on the debt. We have to reduce that. I am sure my hon. friend wants to join us in reducing that.

I will not exercise my privilege to go on and say where a lot of that debt came from. The Hon. Member knows where it came from. Let us leave it at that. These are commitments that are in the Budget as distinct from promises made by someone else on top of everything else the Government is going to do.

Mr. Flis: Mr. Speaker, I am pleased that the Hon. Member for Kitchener (Mr. Reimer) began his remarks by addressing the Free Trade Agreement. That is one of the reasons I am here. The constituents of Parkdale—High Park voiced a very strong objection to the Free Trade Agreement in its format and its lack of protection for companies which might be affected by it. I am sure that as recently as last weekend the Hon. Member read in many newspapers about a number of companies that manufacture auto parts which are now moving to Mexico where the labour is 55 cents an hour, $5 a day. How is his Government going to address this issue? It is just the tip of the iceberg. There will be hundreds of similar companies moving to Mexico and other countries, or even to the United States where labour is cheaper. Does this mean that we in Canada have to lower our minimum wage? Does it mean we have to lower our pension plan for workers? Does it mean we have to lower our job safety record? Has this Government looked at some way of preserving the jobs of Canadians working in these factories, who are going to be unemployed because the companies are moving to Mexico where the labour is 55 cents a day?

Mr. Reimer: Mr. Speaker, the Hon. Member for Parkdale—High Park (Mr. Flis) is correct in saying that in the past election the Free Trade Agreement was a major issue. I have a great many auto parts suppliers in and around my riding. In fact, if I were to take five of the ridings together around there I would see there are well over 15,000 people who work directly in that market and about another 17,000 who service those people. Of course, there are many others involved. There are over 30,000 people involved either directly or indirectly in the auto parts industry who are benefiting from the fact that those people are very busy and working. It is a very important topic.

In response to the point he has made, I would like to read to him a letter from one of the largest auto parts producers in my riding, Bud Automotive. Let me just read what the President and General Manager of Bud Automotive stated with regard to the Free Trade Agreement in auto parts. He said: "Free trade in the auto industry has been good for Canada and Ontario. But Canada would probably not exist were it not for free trade. The Free Trade Agreement with the United States opens up new enlarged market opportunities for Canadian industries." That is what people directly involved in the auto parts industry are saying. It is one of the largest employers in my riding.

In that context I say to the Hon. Member that Members opposite are always raising the prospect of some fear that a plant might close down here or there. That is the difference between the two sides in this House in this debate. Instead of always looking for an example of one little change, this side of the House says: "Look at all the opportunities that are coming. Look at the new potential that is there". That is the difference. I am sorry it has to be such a sharp difference. Surely, everyone can see that if we secure trade with our largest trading partner and we bring in some rules to govern that trading arrangement and we enlarge the opportunity to trade further within that agreement, then the net result is gain. And there is no question of that. If it were true that everyone was going to move to where it is $4 or $5 an hour or even less, then why have they all not started to move? Why is there not a mass exodus out of the northeastern United States to the southern States, from the southern States into Mexico, et cetera?

• (1750)

Maybe my hon. friend can point to a few examples, but surely the industry itself says that it is going to be good for us, and so I will take their word for it. Thank you.

The Deputy Speaker: The Hon. Member for New Westminster—Burnaby (Ms. Black). Question or comment?

Ms. Dawn Black: Thank you, Mr. Speaker. My question to the Member from Kitchener (Mr. Reimer) deals with the early part of his statement. He was waxing on very eloquently about the rosy conditions for the children and women of Canada. He quoted a number of statistics, but he did not say where those statistics came from. I would like the Hon. Member to know that there is today another side to Canada, the side that we never thought we would see. Two societies are forming in Canada.

We see in Toronto and in other major urban centres the plight of the homeless. I know that in my own riding of New Westminster—Burnaby and around the Vancouver Metropolitan area, there are food banks now in operation that were created in the early eighties as a very temporary measure. We have children attending school hungry, Mr. Speaker. I would like to ask the Hon. Member what he has to offer these Canadians in the face of real poverty.

My second question deals with the issue of abortion. He raised the issue of abortion. I would like to know if the Member is proposing recriminalization in Canada of abortion and if that is the position of his Government.

Mr. Reimer: I have a response to the two-part question. For the first part, those figures simply come from the Library here. They are StatsCan figures. Those figures are not debatable figures. Facts are facts, whether you like them or not. You can find those same facts and you can use them any way you wish.

With regard to the plight of the homeless, it is true we have food banks in some of our cities and it is true that even in some of the most affluent areas of our cities and ridings across the country, we have some school children who do not go to school with a proper breakfast.

Mr. Speaker, I would respond that the best social policy then is a job. This Government has got a very good record in encouraging job creation, and the Free Trade Agreement is one part of that strategy. We have to look forward to increasing trade with the Pacific Rim, to increasing our trade with Europe. Let us look at what is going to take place in Europe in 1992, continue to increase jobs and therefore the wealth of this country, to help those in need and create opportunities for full-time jobs.

The second part of the question had to do with abortion. The Government has simply said it is prepared to bring this issue forward. It is a free vote issue on this side of the House. I am not sure what the other Parties will do.

I do not know how many of my colleagues have read the Law Reform Commission Report called the Protection of Life, Crimes Against the Fetus. In the minority report section of that there is a very good statement by Commissioner Maingot which I would like to quote: "The criminal law is our nation's fundamental statement of public policy. It is the instrument by which the community draws a line between the tolerable and intolerable. Criminal law defines those whose interests are worthy of respect and protection, and in my view this should include all members of the human family. Ultimately the criminal law is a mirror of what we are. It reflects our commitment or lack of commitment to human dignity and equality".

Mr. Speaker, when we get into this debate, I am going to stand up on the side of the sanctity of human life and its protection. I hope that when others contribute to this debate, they will realize that whatever we end up doing, that will reflect our collective commitment or lack of commitment to human dignity and to equality. Thank you.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired. Time for questions and comments have expired, and I believe there is not enough time to start another speaker. Therefore, I will call it six o'clock.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): In accordance with Standing Order 38, a motion to adjourn is deemed to have been made and seconded at this time. Therefore the question is that at this time the House be adjourned.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURE—PAYMENT OF COMPENSATION FOR DROUGHT—RELEASE OF DATA

Mr. Vic Althouse (Mackenzie): Thank you, Mr. Speaker. On April 4, the first day that this House returned, I stood in my place to ask a question of the Minister of Agriculture (Mr. Mazankowski) and got a response from the Minister of State for Grains and Oilseeds (Mr. Mayer). I was seeking information about the Government's drought program. To this date there has probably not been a farm program in any country that has stirred up more questions nor been waiting longer for answers. In the Question Period we elicited only minimal information from the Minister. He told us, and I quote from page 37 of *Hansard*:

> The information regarding crop losses and the basis for the maps that were established, the information was based on a loss to coverage ratio through crop insurance records which was exactly the procedure that was used in 1985 that people did not like.

I wanted to put that on the record, Mr. Speaker, because the immediate question is: if people did not like it in 1985, why in heaven's name did the Government perpetuate the same idiotic system on the farmers in the drought of 1988?

He went on to tell us that the final data is not in yet. He tried to tell us that the program was designed by farmers, it is they who wanted us to target it, they wanted us to be crop specific, they wanted to get down to the smallest possible area, this is exactly what in fact we are doing. I take issue with that, Mr. Speaker.

It is quite clear that there was a better way of doing this. The NDP and myself put forward a program for the election last fall to put pressure on the Government to adopt a more sane policy of making drought payments. We had suggested that they use crop insurance data, and the smallest possible unit that it is possible to pay out under crop insurance is on an individual farm basis, farm by farm.

Instead of accepting that rational approach, the Government has once again insisted upon paying on a township by township basis so that each of the farmers who have land in each township will get a different factor of payment for each crop. This tends to be unfair and unequal and, even worse, creates an unnecessary production of data that nobody bothers to generate except on the instruction of the Government for a crop drought payment.

Now, the program that we suggested would have used data that is generated because it has to be by crop insurance, and yet the Government refused to use that data. They could have had the payments in the hands of those farmers who had crop insurance contracts almost immediately.

• (1800)

Most of those farmers had to be investigated and have their claim justified. The amount of loss would be known to the files in crop insurance. The Government rejected that simple and helpful suggestion, to go on and use the system that it is perpetuating on farmers once again. I want to reiterate that it is a system that the Minister himself says: "which was exactly the procedure that we used in 1985, and I stress that people did not like".

I have great difficulty understanding a Government that has this kind of feedback and persists in perpetuating a program that no one liked the last time it was used, and persists in putting it forward again.

It is failing to provide real numbers to people so that they can understand how the program will work. It has been a complete disaster. Although it has been before the public for six months, no one really knows how the program works to this very day.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am pleased to provide details on the effective efforts by this Government to deliver the Canadian Crop Drought Assistance Program to Canadian farmers.

The Drought Assistance Program is helping producers who were hurt by the 1988 drought. The Government is making every effort to deliver a program that treats producers in many different circumstances fairly.

We anticipate that about 120,000 producers may qualify for drought assistance, with over 100 different crops in over 4,500 townships. It takes time to develop and deliver a program that deals with so many producers in so many types of circumstances.

On March 3, maps showing preliminary drought zones were issued. The information on these maps is based on preliminary crop insurance data supplied by provincial crop insurance agencies. The administration used this data to define preliminary drought zones so that interim payments could be made to farmers in the hardest hit areas.

These areas are not final. We will be able to announce the final drought areas when all crop insurance data is in.

The Canadian Crop Drought Assistance Program administration is working hard to deliver this program to Canadian farmers. More than 145 people are directly involved in the delivery of the program, including the people on the toll-free line who have been answering up to 4,000 calls a week.

Recently, in response to the number of telephone calls, we doubled the number of operators on the toll-free line to 20.

The administration is putting interim payments into the hands of producers as quickly as possible. About 4,500 townships have been designated as drought areas on the basis of preliminary provincial crop insurance data. More drought areas may be designated when final data is available from provincial crop insurance agencies. That will probably take place by May.

Personalized applications have been mailed to about 120,000 producers in designated drought areas and about 90,000 forms have been returned to date.

I am pleased to inform the House that interim cheques to producers began being mailed the week of March 27. Most should be in the hands of producers by spring seeding.

About 65,000 producers will get interim payments. The payments will average about $4,300 and will total about $280 million. The timing of these interim payments is similar to the timing of interim payments under last year's Special Canadian Grains Program.

Final payments are scheduled to be mailed in July. We are making progress on other aspects of the program as well.

A method for delivering assistance to Ontario horticultural producers has been established. We are working with horticultural groups in other provinces to establish a method of making payments.

Progress is being made in talks with the Province of Québec on a proposal for program delivery. Discussions are continuing with the provinces on cost sharing. In addition, I can tell the House that producer review committees will be established in each province.

This program may be rather complex but it is resulting in individual tailoring of payments and an accurate assessment of each producer's needs.

The Canadian Crop Drought Assistance Program is fair, well targeted, and timely. It is being delivered effectively by the Government.

EXTERNAL AFFAIRS—SOVIET UNION—PLIGHT OF REFUSNIK

Mr. Bill Attewell (Markham): Mr. Speaker, last week on April 4, 1989, I asked the Secretary of State for External Affairs (Mr. Clark) to intervene in the tragic case of Mr. Georgy Samoilovich of Moscow, a refusnik who is dying of cancer. I met his wife in Moscow on March 30, 1989.

This former mathematician first applied to leave the Soviet Union with his wife and son in 1972. He was continually refused an exit visa on the contention that he possessed secrets.

Even General Secretary Gorbachev has stated that the possession of secrecy rule should not apply for more than five years. The Samoilovich family has suffered hardship and deprivation for 17 years simply because it wanted to exercise a fundamental human right, the right to leave their country.

I brought up the Samoilovich case with two Soviet officials in Moscow on Thursday, March 30. They were

very familiar with this case, and I got the distinct impression that they really had no justifiable reason to deny further Mr. Samoilovich an exit visa, especially when he is so much in need of medical treatment for enlarged lymph glands. This treatment has been offered at the Royal Marsden Hospital in London, England, through the British Embassy in Moscow.

Fortunately, the Samoilovichs were advised on April 5 that he would be allowed to go to London for medical treatment. We are very grateful for this news. We hope it is not too late.

I have been chairman of the Canadian Parliamentary Group for Soviet Jewry since December, 1986.

There is no question that dramatic changes have occurred in the Soviet Union over the past two years. Since General Secretary Gorbachev announced their new policies of *glasnost* and *perestroika*, Mr. Gorbachev has both pleased and shocked the world over various announcements of change, particularly those connected with arms reductions and other major decisions such as the Soviet withdrawal from Afghanistan.

There have also been significant changes in the number of Soviet Jews who have been granted exit visas. In 1982, only 2,688 refusniks were granted exist visas. In 1986, the number dropped to 914. Then surprisingly, the number of refusniks receiving an exist visa increased sharply to 8,155 in 1987 and then more than doubled to 18,965 in 1988.

My previous visit to the Soviet Union was in May, 1987. I led a delegation from the Canadian Parliamentary Group for Soviet Jewry. We met with such high profile refusniks as Ida Nudel and Vladimir Slepak. I also met with members of the refusnik family which I had adopted, the Shnirman family.

Most of these people were released just months after our visit. It was thrilling to see many of these refusniks at the human rights rally sponsored by the North American Jewish Community in Washington, D.C., on Sunday, December 5, 1987. This was on the eve of General Secretary Gorbachev's visit to the U.S. and his meeting with President Reagan. I had the honour to represent Canada at this historic rally and to address over 200,000 people.

As mentioned earlier, many remarkable and progressive initiatives have been announced by the Soviet Union. While most countries in the western world applaud these initiatives, we must harbour some doubt and scepticism when it still takes years for a person dying of cancer to obtain an exit visa.

The Soviet Union wants to host an international human rights conference in Moscow in 1990 or 1991. Before Canada and other nations totally embrace and support this idea, I believe the Soviet Union should be confronted with the facts about many refusniks who are still struggling without success to leave the Soviet Union, and other human rights violations.

On March 29 and on March 30, 1989, I met with several of these desperate, discouraged refusniks in Moscow. I would like to highlight the facts concerning several of these people who simply dream and yearn to live in another country.

Igor Uspensky and his wife first applied to leave the Soviet Union in 1979. They were refused on the basis that Inna's brother, Professor Alexander Ioffe, had worked with classified material 10 years previously. Both Uspensky's were entomologists. In December, 1981, Inna was expelled from the institute and one year later Igor was dismissed. He has worked as a lift operator to avoid being persecuted as a "parasite".

On March 30, I also met with Boris Chernobilsky and his wife Elana along with several other refusniks at their apartment. Mr. Chernobilsky first applied for an exit visa in 1976, 13 years ago.

The latest reason for refusing to grant an exit visa, according to the Soviet authorities, is the lack of a waiver. Boris' mother-in-law will not sign a waiver form which parents and in-laws have been required to sign in recent years.

When I discussed this rule with Soviet officials, and the fact that these in-laws or parents had absolute veto, I pressed the point about why this could not be changed. He mentioned that new laws which will be passed in six to twelve months could very well include a review of that, so there would be an appeal procedure.

The Roitman family of Kishinev was also discussed. They are also being denied an exit visa because Izik's father refuses to sign the waiver form.

• (1810)

There is some good news as well. I was, for instance, led to believe that the Livshitz family may finally receive their exit visa after languishing in despair for 10 years since applying in 1979. They received the good news last week. Similarly, I also got the distinct impression that Soviet authorities may finally reconsider their previous decisions of constant denials of exit visas to the Lurie family.

In closing, I want to commend General Secretary Gorbachev for many of the progressive initiatives put forth, particularly over the past two years. However,

there are still many Soviet citizens being denied the simple human right to leave their country. With the stroke of a pen, certain restrictive regulations could be changed. With the stoke of a pen, every one of the these long-standing refusniks could be granted an exit visa.

I urge the Soviet Union to stop using these unfortunate souls as hostages. Let them leave. Let them live. Grant them this basic human right. Only then will the Soviet Union have earned the right to host an international human rights conference.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to congratulate the Hon. Member for Markam (Mr. Attewell) for raising the specific case he has and for raising the question of the general policy.

On the same date last week as the Hon. Member for Markam asked the Secretary of State for External Affairs (Mr. Clark) whether he would intervene in order to support Mr. Samoilovich's application for an exit visa to go to London, Mr. Samoilovich was in fact granted permission to leave. I understand that the editors of the *Guinness Book of World Records* are still debating now whether to grant an award to the Hon. Member for Markam for his acuity and timing or to the Secretary of State for External Affairs for his alacrity in response.

The fact is, of course, that this was just one of a number of cases that has currently been raised by our Government in order to see, under the Helsinki Accord's family reunification provisions, that those seeking freedom in the West are able to obtain permission to come to the West. Certainly the granting of this permission to leave was welcome news.

[*Translation*]

Mr. Speaker, I hope we will see even fewer cases as the Soviet Union implements the provisions to which it committed itself at a follow-up meeting of the Conference on Security and Co-operation in Europe, and on other occasions. Canada will do everything it can to encourage such developments.

[*English*]

FISHERIES—FRENCH OVERFISHING—MINISTER'S POSITION

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, it is now 30 years since an administration led by the late John Diefenbaker made a decision to change the terms of union which joined Newfoundland and Canada back in 1949. That decision brought such a storm of protest across Newfoundland and Labrador that when the next election took place, not one single Tory MP was elected in the Province. As a result of that decision, Newfoundlanders showed all of Canada that they would not knuckle under to such a cowardly backstabbing by any federal Government, whatever the stripe.

Last week, for the second time since Confederation between Newfoundland and Canada, a Government—and it so happens it is a Tory Government once again—has displayed cowardice and weakness by giving away Newfoundland's precious stocks in order to get a mechanism for settling the boundary dispute with France.

Last week in St. John's, the gentleman from St. John's West, the Minister for International Trade (Mr. Crosbie), speaking for the Government said: "We have achieved our major objectives".

What are these objectives he claimed to have achieved last week in St. John's? On what day did he achieve them, by the way? With some sense of humour, the gentleman from St. John's decided to do this to Newfoundlanders on March 31, the fortieth anniversary of Newfoundland joining Canada.

What then were these objectives that the Minister spoke about and was therefore so happy to announce at a news conference on the very anniversary of our coming into Confederation?

First, they gave away northern cod stock. What makes that giveaway of a precious Newfoundland resource to France so grossly offensive is that the scientists have already told us that there is need for a severe reduction with disastrous consequences for jobs in fish plants and perhaps fish plant closures, and disastrous consequences for fishermen both inshore and offshore.

Not only did the gentleman from St. John's West and his buddies give away northern cod stock to France on a silver platter, but they also gave France large allocations of cod and other species on the St. Pierre Bank, in the Gulf of St. Lawrence and off Labrador.

Third, on top of all that, the gentleman from St. John's West gave the French access once again to Canadian ports. They have *carte blanche* to come and go as they wish. They have also been given the right to board Canadian fishing vessels inside Canada's 200-mile management zone. That is where we in Newfoundland draw the line.

When Canada won that hard fought international battle to extend its jurisdiction to 200 miles with the agreement of many countries, all countries lost the right to invade that jurisdiction, to come into that zone and to board vessels willy-nilly at their whim. Last week, of course, with this concession, all that has been changed. The French are now allowed to board these vessels.

I say to the gentleman from St. John's West that this is the biggest outrage, the most disgusting abdication of all in this so-called agreement with France achieved last week. It undoes much of the work that was done so well by one of my predecessor, the late Hon. Don Jamieson, and others back in 1977.

Not only Newfoundlanders but all Canadians should be hopping mad at the Tories for creating this dangerous and insulting precedent in last week's agreement with France. Can anyone in this House or in the country imagine what the French would do if Canadians were allowed to board their fishing vessels within a few miles of their coast?

I am not given to condoning civil disobedience. I am not that kind of person. However, I can foresee real problems arising when French inspectors try to board Canadian fishing vessels within a few miles of the Newfoundland coast or the Canadian coast generally.

It would not surprise me, nor it should surprise Members opposite, particularly the gentleman from St. John's West, if Canadian fishermen will strongly resent French inspectors snooping into their affairs, and it may only be a matter of time before there is a confrontation.

I fear that a confrontation will develop because Canada has kowtowed to France belittled itself as a nation and made itself the laughing stock of the entire world by giving the French the right to provoke, intimidate and harass our fishermen in their own territorial waters. What a complete farce.

I was completely dismayed to note in this sorry affair the willing acquiescence of Newfoundland's representative in the federal Cabinet. For that dastardly deed, for his agreement with this, for standing silently by and allowing the biggest steal in Canadian history to take place, the name of the gentleman from St. John's West will be forever associated with this giveaway and will be forever tarnished as the Newfoundlander who betrayed his province and his country.

• (1820)

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the settlement reached with France is in the best interests of the fishermen of Atlantic Canada, especially those of the Hon. Member's own riding on the south coast of Newfoundland.

The Hon. Member for Burin—St. George's (Mr. Simmons) knows full well that when Canada declared a 200-mile fishing zone in 1977 France also claimed a 200-mile exclusive economic zone off the Islands of St. Pierre and Miquelon. Canada has continued to maintain that France's claim to an area of jurisdiction outside the 12-mile territorial sea has no basis in international law. This conflict has created a large disputed zone which is located within an important fishing area known as 3PS.

The unresolved boundary has been Canada's number one fisheries conservation problem in 3PS, because without a resolution of the conflict or an agreement to refer the dispute to an international court for adjudication, France has taken advantage of the situation to fish excessively in 3PS. French catches went from an average of 4,000 to 5,000 tonnes annually prior to 1983, to over 25,000 tonnes in 1986.

In 1987, Canada took unilateral action to curb the French appetite for Canadian fish. All undisputed Canadian waters of 3PS were closed to French fishing, and Canadian ports were closed to French fishing vessels. France received no allocations in Canadian waters in 1988, and Canadian ports remained closed to French fishing vessels. The settlement announced on March 31 is a first and essential step in solving that conservation problem once and for all. A treaty has been entered into that will send the boundary dispute to international adjudication. A tribunal composed of five judges will declare the boundary.

When the boundary is established, this will end France's ability to overfish in disputed waters once and for all. This is critical to protect the livelihood of fishermen on the south coast of Newfoundland over the long term.

Second, under the terms of settlement, France will reduce its catches in 3PS by more than 40 per cent, from 26,000 tonnes to 15,600 tonnes in 1989. In 1990 and 1991, these French quotas will be reduced by a further 500 tonnes each year.

Third, Canada has imposed important new conservation safeguards that will allow the Government to monitor French catches in disputed waters. For the first time since 1977, France will provide regular and timely reports on catches by its vessels in the disputed zone. Equally important, Canada and France will jointly carry out a series of at-sea inspections of Canadian and French vessels operating in disputed waters.

The rollback of French fishing efforts in 3PS, plus the measures to make sure that the rollback commitment is being respected, will help protect the livelihood of fishermen on Newfoundland's south coast in the short term.

As the Fisheries Council of Canada, National Sea Products, Fisheries Products International, the Newfoundland Fishermen's Union and other representatives of the Canadian fishing industry have all said, the boundary dispute must be resolved, and Canada has reached the best possible settlement to achieve that objective.

On behalf of his constituents, who stand to gain the most from this agreement, the Hon. Member for Burin—St. George's should also welcome this settlement.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order! The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.24 p.m.

HOUSE OF COMMONS

Wednesday, April 12, 1989

The House met at 2 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIA RAIL

ATLANTIC CANADA—OPPOSITION TO ELIMINATION OF PASSENGER SERVICE

Mr. George Proud (Hillsborough): Mr. Speaker, Atlantic Canadians and specifically Prince Edward Islanders will not accept the Tories' agenda of making the rich richer and the poor poorer. The proposed elimination of VIA passenger service is one of the many examples of this agenda.

The constituents of my riding of Hillsborough know what it is like to be cut off from passenger train service. Why? Because we do not have such a service. We have to hop a bus and travel to Moncton. The only tracks left in our red soil are left by the people dragging their feet to the VIA bus.

Aside from the passenger train service, there will be direct and indirect damage done if VIA Rail is canned. Think of the effect on our highways and our tourist industry, and what about the 7,500 Canadians directly employed by VIA Rail? If other industrialized countries can successfully operate such a transportation service, then surely Canada can as well.

* * *

AGRICULTURE

NEED FOR SOIL CONSERVATION

Mr. Arnold Malone (Crowfoot): Mr. Speaker, there are only two sources of human food. One is water and the other is soil. Unlike the civilizations of old such as those along the Tigris and Euphrates Rivers, humanity no longer has the option of relocating after it has destroyed its food-producing resources.

One of the great myths of Canadian society is the commonly-held belief that we have an abundance of agricultural land. We do not. Only 7 per cent of Canada's land mass, situated in climatically favourably areas, has been deemed agricultural. Moreover, a very large percentage of Canada's original agricultural land has now been permanently destroyed. More than 50 per cent of the original farmland of Ontario is lost to urban sprawl and transport systems. On the prairies, vast regions of once productive lands are now marginal or barren because of erosion or degradation.

I want to salute the initiative of the Minister of Agriculture to have a task force to consider new and appropriate approaches to soil conservation and crop management. May this process bring about a greater respect for our soils and the need for their conservation and enrichment.

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VOLUNTARY ORGANIZATIONS

NATIONAL LIFE ENRICHED BY WORK OF VOLUNTEERS

Mr. Larry Schneider (Regina—Wascana): As this is National Volunteer Week, I would like to express most sincere thanks to the millions of people across this country who devote their time and talents to voluntary service. I speak not only on behalf of myself and all my parliamentary colleagues but also for all Canadians who take such fervent pride in our tradition of service to others.

Volunteers are men and women from all walks of life. They are retired, employed, homemakers and students—people from diverse socio-economic backgrounds, people from all religious, racial and culture groupings—Canadians both young and young at heart.

Canada's volunteers play a strong and vital role in our national life. They deliver much-needed human and social services, they champion worthy causes, and they simply make things happen. Volunteers serve on community and citizen action committees and on the boards of volunteer organizations. They place the needs of others before their own. Thanks to them, a stranger becomes a neighbour and a neighbour is more like a friend. All Canadians owe a debt of gratitude to our volunteers,

and we, the Members of this House, are honoured to pay tribute to them.

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HUMAN RIGHTS

EL SALVADOR—INCREASE IN VIOLATIONS

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker Canadian policy on international development assistance is to link aid to a country's human rights record. Since 1983, Canada has provided over $13 million in bilateral aid to the Government of El Salvador.

With the presidential elections concluded, government-supported violence and repression are on the increase. Last week, Christina Gomez, a Salvadoran leader of the Women's Popular Movement and mother of four, was abducted by heavily-armed men and summarily executed.

Canadians do not want to be associated with a regime which utilizes human rights violations and murder. Canadians are proud of our record of promoting peace, yet our Government, through bilateral aid, does business with this Government which refuses to negotiate a settlement to the nine-year war.

There are dozens of non-governmental organizations promoting peace and the necessary social reform to ensure peace. I call on the Government to reconsider our bilateral aid program to El Salvador so that the aid is channeled through non-governmental organizations until we see a substantial improvement in the human rights environment.

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THE HONOURABLE ROBERT C. COATES

APPOINTMENT AS HONORARY CHIEF OF MICMAC INDIAN BAND

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to pay tribute to a former Member of this House who served here faithfully for 31 years. Of course, I am referring to my predecessor, the Hon. Robert C. Coates, and I am pleased to announce that on April 7, Bob was given a very unique honour by Chief Lawrence Paul of the Micmac band in Millbrook near Truro, Nova Scotia.

Bob was made an honorary chief in a very moving ceremony conducted by the band medicine man. This honour is even more significant when one realizes it has never been awarded to anyone before. The new name bestowed on Bob kind of says it all. They have named him "The Chief Who Kept Many Promises", and this title is indicative of the feelings of the constituents of our riding and at least partly explains why he was elected for 11 consecutive terms.

I do not know if protocol calls for him to be referred to as Chief Hon. Bob or Hon. Chief Bob, but whatever it is, it will probably be just plain old Bob to the rest of us. I know you will all join me in congratulating Chief Bob and wishing him good luck in any future opportunities that may present themselves.

* * *

ABORTION

CALL FOR LEGISLATION TO PROTECT THE UNBORN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, many people in my constituency of Cape Breton Highlands—Canso and elsewhere in Canada are deeply distressed that for more than than 14 months there has been abortion on demand in Canada. I share their concerns.

Legislation to protect the unborn in Canada and to fill the void left by the Supreme Court decision of January 28, 1988, is an urgent necessity and is long overdue. The Government's feeble undertaking to study the implications of the Supreme Court jurisprudence is just not good enough. There has been ample time for study. The time now is for action, and action means the speedy introduction of a Bill that reconciles the legitimate right of the mother with protection for the unborn from conception onwards.

• (1410)

The Prime Minister (Mr. Mulroney) promised during the Leaders' debates prior to the election that legislation would be introduced upon the return of the House. I urge the Prime Minister to keep his promise to Canadians and indicate to this House when we can expect to consider this important matter.

[*Translation*]

UNEMPLOYMENT INSURANCE

BENEFITS OF SYSTEM REFORM

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, the Minister of Employment and Immigration (Mrs. McDougall) unveiled yesterday the government proposals for unemployment insurance reform. Thousands of Canadians across the nation were both surprised and stunned by the news. But for millions of others, it was a clear indication that the government wants to remedy abuses.

Who hasn't heard, at one time or another, of some people who quit their jobs for no reason at all, except to enjoy the good times while living off unemployment insurance benefits? Or of cases of fraud where workers who have a job keep receiving UI benefits?

The proposed reform, Mr. Speaker, must aim at remedy this kind of abuse, but must also give a new direction to Canadians by encouraging them to actively search for new jobs. The reform must give Canadians new hope and means to find work. This reform will guide us, Mr. Speaker! As we enter the era of free trade, we will increase our efforts by directing additionnal funds toward the training of our workers.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

IMPACT OF PROPOSED CHANGES ON CONSTITUENTS OF KOOTENAY EAST

Mr. Sid Parker (Kootenay East): Mr. Speaker, I wish to comment on the impact of the Government's recent announcement of changes to the unemployment insurance system on the people of my riding. Many of my constituents are employed in seasonal occupations such as construction, tourism, forestry and the fruit industry. These people play a vital role in the local economy of the East Kootenays. During the off-season, which differs depending on the industry, many seasonal workers depend on unemployment insurance benefits to make ends meet.

Under the past system I had over 80 inquiries relating to UIC. The majority of them come from women employed in seasonal jobs. It is one of the single biggest issues I have dealt with since my election.

While I have no problems with increased funding for retraining, I object to additional funding to be paid for by the unemployed of my riding and the country as a whole. It is clear that the needs of my constituents and the citizens across Canada will be ignored.

My final observation is that if the Government wants to cut the deficit on the backs of the unemployed, it should be up front about it instead of portraying the new system as a measure to help unemployed Canadians.

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UNEMPLOYMENT INSURANCE

SUPPORT FOR PROPOSED CHANGES

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I want to commend the Minister of Employment and Immigration (Mrs. McDougall) for the announced changes in Canada's Unemployment Insurance Program. In particular, I want to commend the Government for its continuing commitment to worker training programs and job-creation. The future of our country does rest on a skilled and disciplined workforce, and the Minister's priorities are directed to the appropriate areas to achieve this. The fragility of Atlantic Canada's economy was not overlooked.

The announced changes are moving us in the right direction as we prepare to enter the 21st Century.

* * *

CANADA ELECTIONS ACT

DONATIONS TO CANADIAN ALLIANCE FOR TRADE AND JOB OPPORTUNITIES

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, during the federal election the so-called non-partisan Canadian Alliance for Trade and Job Opportunities, the primary pro-free trade lobby, spent $5.2 million on behalf of the Conservative Government and the free trade proposal.

I and Mr. Hurtig of the Canadian Council had the audacity to challenge the Council suggesting this was one way for large U.S.-owned multinationals to interfere in the Canadian election process. We were promised there would be full disclosure of where their donations came from. Mr. D'Aquino, the hired gun for the Alliance, had this to say in a letter to every Canadian newspaper. He ". . .looked forward to reading a public retraction. . .when the list of donors is made public next year".

We learned yesterday that some big Canadian corporations, Noranda, Shell and others, donated $250,000. The Royal Bank was a little measly. It only put $200,000 into the pot. All the foreign-owned and controlled corporations refused to disclose what kind of contributions they made to that Alliance.

This represents a serious threat to Canadian democracy. It is a silent, invisible, alternative form of government. I suggest it is time we reform the Elections Act.

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SKILLS CANADA PROGRAM

FEDERAL FUNDING FOR BARRIE AND DISTRICT INDUSTRIAL TRAINING COUNCIL

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise before you today with great pleasure and excitement to inform my fellow Members of an historic initiative which occurred in my riding of Simcoe Centre this past Friday.

On behalf of the Hon. Barbara McDougall, Minister of Employment and Immigration, I had the honour of announcing federal funding to the Barrie and District Industrial Training Council that will be used to help launch an experimental project in participating high schools throughout the Simcoe County School District.

Skills Canada is intended to improve the image of manufacturing careers and provide an incentive for students to pursue technical careers boosting the sagging enrollment in many technical colleges and schools and providing technical workers for industrial growth.

This program is unique in Canada. Our Government has shown innovative leadership by providing these start-up funds.

The private sector's initiative is the best catalyst for economic growth, and Skills Canada is a positive and cost-effective method by which the private sector can work in concert with the Government towards educating more skilled workers among the youth of Canada.

[*Translation*]

UNEMPLOYMENT INSURANCE

CHANGES TO THE SYSTEM – IMPACT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Employment and Immigration.

The Government wants to take unemployment insurance benefits away from the unemployed and replace them with welfare benefits.

Will the Minister confirm that, under the new system she proposes, an unemployed person living in Trois-Rivières will lose up to $3,267 in net benefits?

Will she also confirm that this unemployed person in Trois-Rivières may have to go on welfare nine weeks earlier?

Will she also confirm that the minimum benefit for an unemployed person in Trois-Rivières is $45 a week.

How can the Minister explain that? Why would a resident of Trois-Rivières who did not cheat or abuse the system and who lost a job through no fault of his or her own end up on welfare, with $45 a week?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I will not be confirming any such thing. When we look at what we have done with unemployment insurance and the duration of work required to gain entry into the unemployment system, we have increased the entry levels marginally except in very high unemployment areas. The Government of which the Hon. Member was the Leader had done the same thing from time to time. We have ensured there are training, child care and transportation benefits to people taking training. In the process of creating more jobs in that region, which we have done, we will provide training for future opportunities.

Some Hon. Members: Hear, hear!

ENTRY LEVEL SKILLS DEVELOPMENT FUND

Right Hon. John N. Turner (Leader of the Opposition): I notice the Minister did not challenge the figures I submitted because they were derived from calculations in her document.

I see the Minister of Finance smiling. I do not blame him, because the Minister of Employment and Immigration has done his dirty work for him.

An Hon. Member: That is right.

Mr. Turner (Vancouver Quadra): She is funding job training at the expense of the unemployed. She is setting up the Minister to slash the contributions of the Government to the Unemployment Insurance Fund when the Minister of Finance brings down his Budget. So he should feel satisfied with that particular manoeuvre.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): How does the Minister justify throwing people off insurance onto welfare? What she says is the Government will give people more training.

Well, I want to refer the Minister to page 7 of her own document which I have read carefully. She says there that the Government, as it refers to the Entry Level Skills Development Fund which she rates at $100 million a year, will take four years to phase in that particular program. In other words, she cuts benefits as of January 1 and takes four years to phase in a training program. My question for the Minister of Employment and Immigration is this. Where does that money go?

Hon. Barbara McDougall (Minister of Employment and Immigration): There is no dirty work on this side of the House.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I am extraordinarily proud to be a colleague of the best Minister of Finance this country has ever had.

Some Hon. Members: Hear, hear!

• (1420)

Mrs. McDougall: Including the Right Hon. Member.

Mr. Speaker, we have in place now the Canadian Jobs Strategy, which has been helping people to gain employment and to gain training. We will be phasing the programs in as rapidly as we can.

While these programs are phased in, there will be programs available under CJS and under the new program in order to benefit Canadian workers. Under this Government we have created many jobs, and we will continue to do so.

Oral Questions

PRE-ELECTION ANNOUNCEMENT OF INCREASED BENEFITS

Right Hon. John N. Turner (Leader of the Opposition): When The Minister was complimenting her colleague, the Minister of Finance, she was looking at me, apparently as if I was going to get some message. I noticed that the Minister for International Trade was clapping very weakly. I can understand that. The Minister and I both had a Budget defeated on the floor of the House of Commons, except we won the election afterwards.

Mr. Beatty: You haven't won one since.

Mr. Crosbie: Those were the good old days.

Mr. Speaker: The Right Hon. Member has the floor.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister mentioned some dirty work. I very much regret challenging her own integrity in how I put this question.

I would like the Minister to confirm that on November 15, 1988, that is to say only six days before the election, she announced a 7 per cent increase in unemployment insurance benefits.

How can the Minister, four months after the election, justify slashing direct cash payments to unemployed people in this country when six days before the election she announced an increase in those benefits?

How does she explain that as an example of Conservative honesty, and honesty with the people of Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this is the Hon. Member who was once quoted as saying: "I never thought I'd see the day when I was calling for more unemployment insurance".

The Hon. Member is suggesting that by providing training benefits, we are not providing benefits. Ten dollars' worth of training is worth a lot more to people on unemployment insurance than $10 which does not take them anywhere.

Canadians want to work and they want training for new opportunities. Under this Government, they are going to get it.

[*Translation*]

REDUCTION OF BENEFITS – GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie: Mr. Speaker, my question is addressed to the same Minister or to the Prime minister. How is it that you had the shameless nerve to announce an increase in unemployment insurance benefits when you knew that four months later, without telling the people, you would

deceive them, cut the number of weeks and take back much more than you gave them before the election? How come you deceived the people, when you knew?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I do not understand the arithmetic on other side of the House. We have said that the program remains the same size as it was before. We are going to alter the way the benefits are delivered in a way that will provide more permanent help for Canadians in terms of getting a job in the future and taking advantage of future opportunities.

[*Translation*]

LOSS OF BENEFITS – GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the Minister does not understand the figures, although they are her own figures we are using. Can you believe that the unemployed are well protected with a Minister like that!

You don't need to have been through university to understand this example. If someone had 32 weeks of unemployment insurance at $200 a week, and he is cut back to 27 weeks, he will lose money. That is simple, clear and straightforward!

Why does the Minister not want to admit that some people, whether they are in Trois-Rivières, Montreal, Toronto or Vancouver, will lose more than $1,000? And that all those who worked less than 12 weeks in 1988 will lose up to $11,000 in unemployment insurance benefits during the year? Why not tell the truth?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, in the areas that the Hon. Member refers to there are jobs available right now.

Part of the problem is that the people in those areas don't have the skills to take advantage of those opportunities. We are going to provide those workers with the opportunity to take advantage of new jobs.

AVALON PENINSULA – EFFECT OF CHANGES ON WORKERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. The Minister knows from the changes that she has proposed in the scheme that today if an unemployed worker in the Avalon Peninsula in Newfoundland, which includes St. John's, had been able to a get a job for only 10 weeks, he or she would be eligible for benefits of some $8,000 after that to add income to pay for the rent, and to buy food for the family.

According to the scheme that the Minister has introduced that income will be reduce to zero for that worker. In terms of paying the rent and buying food for the family what will the Minister tell that worker in terms of what he or she is supposed to do?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is really unfortunate that the Hon. Member continues, as he has done before, to put fear into the hearts of Canadians.

Some Hon. Members: Oh, oh!

Mrs. McDougall: In the Avalon Peninsula the unemployment rate has gone down steadily. It is now lower than it has been for many years, and that is because of the policies of this Government. There are more people working right now than there have ever been before.

Let me also state that in the Province of Newfoundland, there will be $15 million more going into its economy next year under this plan than there will be this year.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am talking about the working family in the Avalon Peninsula. I want to say to the Minister that it is not me cutting away at the Unemployment Insurance Program; it is the Minister, and she should admit that.

With reference to the Avalon Peninsula, today there are 9,000 unemployed in the St. John's region. This Government has put the Hibernia project on hold and has transferred jobs from Newfoundlanders to the French in the fishing sector. High interest rates mean nothing but bad news for the region.

Will the Minister be candid with the unemployed worker in Newfoundland? I repeat, in that region there are 9,000 unemployed. Is the Minister not introducing a policy whose effect will be like a trampoline that will bounce that worker into welfare or all the way to Toronto?

Is that not what the Minister is saying?

Mrs. McDougall: No, Mr. Speaker. As the Hon. Member knows, we have not put Hibernia on hold, and the people who are going to work on Hibernia are going to need skills to take advantage of those opportunities.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Our program is geared specifically to taking advantage of that type of opportunity. I do believe that the Hon. Member thinks that we should still be paying people income support, giving them no hope for the future, and no training programs, other than for blacksmiths.

Mr. Broadbent: Mr. Speaker, we do not believe that those who are already suffering ought to pay for the retraining programs. That is the difference between us.

[*Translation*]

Mr. Speaker, if we consider the unemployment rate in northern Quebec, in a region that includes the Prime Minister's riding, now an unemployed person who worked for 10 weeks, for example, can get around $4,000 in benefits. But with this program, this working man or woman cannot get benefits, only welfare, not unemployment insurance, only social assistance, and there are no new jobs in that region! Is that the Conservative Party's idea of fairness?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this program has been designed so that it remains sensitive to areas where unemployment is high. It is also sensitive to the fact that local people dealing in a local economy are the best ones to define the jobs. That is why we have the Community Futures Program.

We are not only looking at people in big cities. We are looking at people all across Canada, particularly in high unemployment regions, in isolated regions, and in small communities. They will be among the chief beneficiaries of this program.

• (1430)

BASIC EDUCATIONAL TRAINING REQUIREMENTS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is to the Minister of Employment and Immigration. She has been talking about the area of skills requirements and skills development. According to her own report, almost one-half of the new jobs by the year 2000 will require more than five years of combined education and training beyond the high school level.

I draw to the Minister's attention that one in six adult Canadians is functionally illiterate. The national drop-out rate, according to her figure, stands at better than 30 per cent. Less than 45 per cent of young people entering high school are being prepared for post-secondary education. More than 70 per cent of Canadians currently enter the job market without post-secondary education or training.

How can the Minister justify cuts in UI benefits to the unemployed in order to fund programs without addressing their basic educational training?

Hon Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the last I heard education was a responsibility of provincial Governments. I suggest that if he is going to get his cue cards from Queen's Park he get some better ones.

We introduced a literacy program. A year ago we announced a literacy program to help adult Canadians with their numerical skills and with their reading and writing skills. We did that because we do think that is important.

But we have also said that we will be working with the provinces because they have a stake in this too. That includes education. We will be working with the provinces on our literacy program, which my colleague, the Secretary of State, announced last year. We are expecting every element in our society to start to pull toward the objectives that we all have to meet.

Some Hon. Members: Hear, hear!

FEDERAL FINANCIAL PARTICIPATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, despite the assurances of the Minister we have been given an indication that there is an absence of an over-all employment strategy. Certainly, yesterday in this House, she gave us an indication that there had not been prior consultation with the provinces, none with the industries, and none with labour.

Under her proposal the unemployed will be taking the burden of the Government's agenda with a 17 per cent cut in UI benefits. Does this mean that, as my Leader said just a few moments ago—

An Hon. Member: Which one?

Mr. Volpe: There is only one, and he has been making all the right points.

Some Hon. Members: Hear, hear!

Mr. Volpe: Given the Minister's assurances of just a few months ago that there would be a 7 per cent increase in unemployment insurance benefits, and in light of her current proposal, is the Government reducing its financial participation, which is currently at 26 per cent, or is it abandoning it altogether?

Hon Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, clearly, the Hon. Member is way off base on this matter. We have done a number of things in this program. Let me just point out this to him. Members opposite keep talking about throwing people on welfare. We initiated a program for social assistance that has been very successful. We are increasing that by $100 million. If the provinces join in there will be $200 million more for social assistance recipients. It is a training program. That is what people on welfare want, too. We are not throwing people on to the welfare rolls. We are getting them off unemployment sooner.

* * *

ENERGY

HIBERNIA OILFIELD PROJECT—POSITION OF MOBIL OIL COMPANY

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Energy. As he will know, the deadline for signing the Hibernia development agreement has come and gone. Indeed, last week, the Minister from St. John's West called one of his damage control news conferences to try to explain this latest broken Tory promise.

Mr. Crosbie: Oh, come on!

Mr. Simmons: He is touchy today, Mr. Speaker.

I want to ask the Minister of Energy if he will confirm that Mobil Oil now wants to change the basic design for the production platform to save costs. If so, will he indicate what the job loss will be to Newfoundlanders, and what the lost revenue will be to the Province of Newfoundland and Labrador?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, what I will confirm is that the hon. gentleman's Party opposed the Atlantic Accord. The Atlantic Accord made possible the negotiations for Hibernia. It made possible for the first time in a long time the fact that Newfoundland would be able to get the benefits, the revenues from offshore development.

I have been very public about this, as has my colleague the Minister for International Trade. With the March 31 deadline there were a number of points. First, there were the legal requirements. Second, there was the testing of the financial markets. Third, there was the engineering design. Those are three areas that needed completion.

What we have also said is that the 1995 date for completion and for the first oil flow remains in place.

Those are the details I have given before. There has not been any change. That is what the Minister for International Trade has said. If there are any other differences, I say to the Hon. Member get back to those facts that have been on the table quite openly for quite some time.

TIMETABLE FOR DEVELOPMENT

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, of course the question is whether those facts will still be on the table after next Thursday's election in Newfoundland.

Mr. Crosbie: You are very, very nervous, Roger.

Mr. Simmons: I cannot help it if the Hon. Member for St. John's West feels very nervous about the answers being given by his colleague—

Mr. Speaker: The Hon. Member will put his question.

Mr. Simmons: The Minister will be aware, Mr. Speaker, that one of the partners in the Hibernia agreement, the Government's own Petro-Can, has in the last day or so labelled the undertaking as a very enormous risk because of oil price uncertainty. Will the Minister assure us that the project's future is not in jeopardy notwithstanding the statements of the vice-president of Petro-Can yesterday? Will it go forward according to the schedule that the Government agreed to in last summer's statement of principles?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I can say to the hon. gentleman—and this was also identified earlier—that obviously in any large project energy pricing is a factor. What I will say to him is this. If he waits just for a short period of time, Petro-Canada not only has said publicly but I will make it official again, that it is fully in favour and supports the Hibernia project. It is not only Petro-Canada but Mobil and the other consortium members, as well as the provincial Government and the federal Government, that fully agree with the statement of principles, and we are working for completion of that statement of principles. Election or no election in Newfoundland what is

important is the development of Hibernia. What I would hope is that Members opposite would start supporting Hibernia as much as this Government is supporting it.

Some Hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

IMPACT

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration who also happens to be the Minister responsible for the status of women.

The Minister knows that her changes to the Unemployment Insurance Program will have a severe impact on women, especially on young single mothers. Many of these women will be penalized for quitting their jobs when they do have just cause, when they have no other choice. These women face discrimination on the job, sexual harassment, and problems finding child care, particularly with shift jobs. These women and their families will face up to three months with no income.

Can the Minister ensure that not one woman will fall through the cracks of this legislation and be charged these outrageous penalties?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to thank the Hon. Member for her question. I want to assure her that among the chief beneficiaries of the new program will be women, including single mothers. I think the Hon. Member would agree that what we have done on maternity benefits and parental benefits is something about which all Members of this House should be proud. That will be of particular help to that group.

When we talk about quitting without just cause we are talking about people who walk away from a job without a reason. Sexual harassment, or the transfer of a spouse to another city, or unsafe working conditions are other categories. Those are the three most important ones. The impact on women, when those are the things that they have a great concern about, will not affect their ability to collect benefits.

• (1440)

REQUEST FOR ASSURANCE WOMEN WILL NOT BE PENALIZED

Ms. Dawn Black (New Westminster—Burnaby): I am sure that we are pleased with the extension to parental benefits, but I would remind the Minister that this initiative was pushed on the Government by the courts of Canada. Women may have the right to appeal an unfair penalty through unemployment insurance, but we know that the immigrant women of Canada do not appeal in many instances. They do not have the same access in our society to the appeal process. What assurances can the Minister give that no women will be unfairly penalized through these new measures?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, in answer let me just deal with the preamble. We were not forced to do this by the courts. In fact we went further than the judgment because we incorporated sickness benefits in a way that had nothing whatsoever to do with the court decision. Under these rules, parents are going to have much more flexibility around special benefits including sickness benefits as well as maternity benefits. That is important for women to know. So I hope that she will not obscure those facts.

Secondly, immigrant women are the people who are going to benefit from this. They are the people who need the training the most. They need to think about jobs beyond the minimum wage. They need to think about getting into non-traditional jobs that these training programs are going to provide. We have done more for immigrant women than any Government in the history of Canada.

Some Hon. Members: Hear, hear!

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EXTERNAL AID

LEVEL OF OVERSEAS DEVELOPMENT ASSISTANCE

Mrs. Christine Stewart (Northumberland): My question, Mr. Speaker, is to the Minister of External Relations. The North-South Institute this morning informed me of their concern about budget cuts to Canada's official development assistance. In fact, in the Throne Speech, the Government does not give a substantive commitment to maintaining its current level of overseas development assistance.

In the speech delivered by the Prime Minister to the United Nations General Assembly last September 29, he affirmed that Canadian assistance will continue to increase to reach the target of .6 per cent of the GNP by 1995, and the desired .7 per cent by the year 2,000.

Will the Minister guarantee a continued commitment to this objective?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, the Hon. Member knows perfectly well I cannot comment at this time on her speculations on the budget for development assistance, and that the Minister of Finance will bring down his Budget on April 27. However, for the benefit of the Hon. Member, I would like to add that since this Government came to power, our development assistance program has had the highest growth rate of any of the Government's non-statutory programs, and that this year's budget for development assistance is $1 billion more than it was in 1983–84. I think we should remember that, Mr. Speaker.

[*English*]

ELIMINATION OF POVERTY—GOVERNMENT POSITION

Mrs. Christine Stewart (Northumberland): My supplementary, Mr. Speaker, is again to the Minister of External Relations. In the words of the Prime Minister himself, "Poverty undermines security. Alleviating poverty must be given a new priority on national and international agendas. We must work to achieve social justice for the poorest of our world". And then the Prime Minister states, "Increased development assistance, especially to the poorest countries, is another imperative."

Why do the Prime Minister and the Minister not confirm right now that they will at least maintain their present level of commitment to the poor of our world?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, the Hon. Member referred to words spoken by the Prime Minister which I wholeheartedly endorse. I would also like to add, for the benefit of the Hon. Member, a passage from the Throne Speech which refers to Canada's international mission, and I will give her the quote:

> My Government will continue to take a strong stand in defence of human rights. It will continue to be among the leaders in peacekeeping, in international development, in strengthening international organizations, and in relieving the devastation of famine or of national disaster.

Mr. Speaker, I would also like to add that since 1984, thanks to the Prime Minister's leadership, Canada has acquired an international dimension, and that is something we must not forget.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

LEVEL OF GOVERNMENT FUNDING

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is to the Secretary of State. Repeatedly the Conservative Government indicated that research and development activities are essential to the development of a competitive Canadian society. Current support for research and development in Canada is at 1.42 per cent of the Gross National Product, roughly half of what it is for the U.S., Japan, and Sweden. The Conservatives, when in opposition, had committed themselves as the future Government to increase research and development activities to 2.5 per cent of the Gross National Product.

Some Hon. Members: Question, question.

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Duhamel: Is the Minister prepared to commit himself today to finally meeting his Party's 1984 campaign promises?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, this is basically the same question that we answered the other day, and let me remind my colleagues—

Mr. Axworthy (Winnipeg South Centre): And the same stupid answer.

Mr. Winegard: In the last two years, and in particular the last year, this Government has promised through the Prime Minister's National Advisory Board on Science and Technology to put $1.3 billion into this field. I can give you some of the details. There was $240 million into the Centres of Excellence Program that will bring together universities and industry.

Some Hon. Members: Hear, hear!

Mr. Winegard: There was $80 million into the Canada Scholarship Program.

Some Hon. Members: Hear, hear!

Mr. Winegard: Another $200 million into the Granting Councils over the next five years.

Some Hon. Members: Hear, hear!

Mr. Winegard: Another $200 million into the new technologies, biotechnology—

Some Hon. Members: Hear, hear!

Mr. Winegard: Mr. Speaker, I have got a long list, but I am sure the Member gets the point.

[*Translation*]

FINANCING OF COLLEGES AND UNIVERSITIES—GOVERNMENT POSITION

Mr. J. Ronald Duhamel (Saint-Boniface): Mr. Speaker, my supplementary is directed to the Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship). The federal Government's contribution to provincial financing of post-secondary education and health services is based on the average Gross National Product, calculated over a period of three years, less 2 per cent. I may add that this formula is 2 per cent less than the one used by the previous Liberal Government.

Is the Minister prepared to make a commitment today to provide a level of financial support that will at least maintain this level of financing for our colleges and universities?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I suppose we will have to wait and see what the Minister of Finance says on April 27.

I am sure all Canadians are getting impatient, but the time will soon be right.

* * *

[*English*]

ABORIGINAL PEOPLES

FUNDING OF POST-SECONDARY EDUCATION—STUDENTS' HUNGER STRIKE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is directed to the Minister of Indian Affairs. As he knows, those Indian students who are fighting the unjust freeze in native post-secondary education are ending their 22nd day of the hunger strike. Permanent damage to their livers and kidneys is expected soon if they do not stop. In fact there is a tragedy just around the corner, as the Minister knows. The Minister continues to swagger like a schoolyard bully while refusing to meet these students who are being held hostage by him. Will he stop this swaggering? Will he agree to meet those students immediately so that he can play his role and stop permanent injury to these students?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated already in the House last week, I am prepared to meet with the students as soon as they put an end to their hunger strike. I was also informed on Monday of the new demands, or repeat of the demands of these students, when they state that their demands are a moratorium on any changes to the E-12 policy, an establishment of a bilateral process at the grass-roots community level on secondary and post-secondary education matters.

• (1450)

I have already indicated that a bilateral process of discussion already exists. I am prepared to review the new guidelines. If they can be improved and I can be convinced that improvements are needed, we will certainly look at them and bring them in. But that has to be done in normal circumstances.

CONDITION OF STUDENTS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, we know what the Minister's consultation with Indian groups has been. Not one of the over 560 groups he consulted prior to this change accepted and agreed with the Department's changes. We know what that consultation means; it does not mean anything.

The Government indicated in the Throne Speech that it will take measures to ensure that native peoples participate fully "in Canada's economic development prospects and to this end will be extending its program to assist native economic development". On the one hand the Government says something, on the other hand the Government does something else. It is time the Minister took action and it is time he made these changes.

My supplementary question—

Some Hon. Members: Oh, oh!

Mr. Axworthy (Saskatoon—Clark's Crossing): It is shocking the way these Members carry on.

Some Hon. Members: Sit down.

Mr. Speaker: The subject matter, of course, is serious. I would ask the Hon. Member to put his question.

Mr. Axworthy (Saskatoon—Clark's Crossing): Do one or more of these students have to die before the Minister acts?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I already indicated a few moments ago, the first demand of the students is that I put a moratorium on any changes to the E12 policy. I am being asked to put a moratorium on improvements to the E12 policy.

I want to indicate to the House that consultation was carried out. As a matter of fact, I have a document of the First Nations called "Tradition and Education: Towards a Vision of Our Future", Volume 2. I would like my hon. friend to read the document. I think it is very important. It states:

> Currently, student eligibility for resourcing is covered under a DIAND document entitled Circular E12.

That is policy to which they want to revert.

> It sets rigid criteria for student eligibility and limits the amount that First Nations councils and education authorities can resource students. Circular E12 does not account for the actual financial needs of individual students and the cost-of-living in the area of the post-secondary institution.

Some Hon. Members: Order!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for London—Middlesex.

* * *

SCIENCE AND TECHNOLOGY

CANADA SCHOLARSHIP PROGRAM—MAINTENANCE OF STANDARDS BY STUDENTS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Earlier he referred to the blue chip investment our Government made in the young people of Canada through our Canada Scholarship Program in Science and Technology. However, it has come to my attention that some students in this program are not meeting the minimum high standards such as those held at the University of Western Ontario in my district.

Will the Minister assure Canadians that he is on guard to ensure that for this first-class investment we maintain first-class participation of our students, both to enter the program and to carry on with the program? Will he give Canadians that assurance?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, the simple answer to the question is yes. We will insist that all those entering into the second year of this program do so only if they have a first-class standing. I tried to make that clear last weekend in Montreal when we announced the second year of the program. The 350 students who were with us were thrilled at that kind of announcement because they recognize that they wanted the excellence themselves.

* * *

ENVIRONMENTAL AFFAIRS

RAFFERTY—ALAMEDA DAMN PROJECT—REQUEST FOR ENVIRONMENTAL IMPACT ASSESSMENT

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of the Environment. I have in my hand a question—

Some Hon. Members: Oh, oh!

An Hon. Member: Read it.

Mr. Speaker: The Hon. Member.

Mr. Walker: Mr. Speaker, my question is directed to the Minister of the Environment. I have in my hand a letter from the provincial Minister of Natural Resources in the Government of Manitoba, addressed to the Minister, requesting that the federal Government not appeal the decision on the Rafferty-Alameda Dam, and to proceed immediately with an environmental impact assessment. Of course, this has been the position of the Opposition for several months now.

Will the Minister indicate to the House that he is ready to proceed with such an environmental assessment review? Will he proceed with it vigorously in terms of public participation, public hearings and scientific research?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am pleased to announce to the House and my hon. friend that today I have instructed officials from my Department to undertake a complete assessment of the impacts of the Rafferty-Alameda Dam project on the United States, Manitoba, fish, migratory birds and federal lands.

Some Hon. Members: Hear, hear!

An Hon. Member: It is about time.

Mr. Bouchard (Lac-Saint-Jean): I will have discussions with my colleagues whose Departments might be affected by the judgment. I will particularly obtain the view of my colleague, the Attorney General.

REQUEST FOR PUBLIC HEARINGS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Given that the Federal Court ruled that there is a duty owed to the public, and an essential part of the process did not occur, will he reassure the House that this process will be public and open to all people who wish to speak to this issue?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I just said, and I repeat, that the due process of assessment will be followed.

PUBLIC HEARINGS—GOVERNMENT POSITION

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of the Environment. Am I correct in understanding that what the Minister has just stated is that the Government will not proceed with an environmental assessment review process, an EARP, that there will be no public hearings on this and that instead the Government is going to have an impact study before deciding whether to go ahead with a full investment or impact study? Am I correct in that?

Some Hon. Members: No.

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I am not sure that we sit in the same House. What I said in plain English—

Some Hon. Members: Hear, hear!

Mr. Bouchard (Lac-Saint-Jean): —is that there will be a complete assessment of the impacts of this project on the United States, Manitoba, wildlife, fish, migratory birds and federal lands. You will find them in the judgment. As far as legal aspects are concerned, my colleague will see to it.

It is a very serious question. There are many questions raised in this judgment. It is a very important judgment. I deal with the practical environmental questions, and as far as those purposes are concerned we will proceed to the complete process of assessment.

REQUEST FOR PUBLIC HEARINGS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to ask the Minister again in very slow and plain English—

Some Hon. Members: Oh, oh!

• (1500)

Mr. Speaker: The Hon. Member can put his question.

Mr. de Jong: Will there be an environmental assessment review process and will there be public hearings?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, a complete review will be held. We all know that there are two stages. The first stage is to conduct studies. Those studies of the aspects I just mentioned will be conducted. When we have read the studies, and according to the conclusions, the Minister always has, in due process, to make a decision as to whether or not there will be a public hearing. That will be a decision to make after we get the results of the study. That is the normal process.

* * *

[*Translation*]

FISHERIES

SITUATION IN ATLANTIC REGION—GOVERNMENT POSITION

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Atlantic fisheries are going through very difficult times. The inshore and midshore fisheries are in a full-fledged crisis situation. Fish stocks are declining. We have overcapacity, both with respect to fishing vessels and processing plants, and the Minister seems to be totally ignorant of the situation.

Some plants have already closed down and other plants are about to do so. Several thousand jobs are at stake. A number have been lost already.

My question is simply this: What immediate steps does the Minister intend to take to examine this very serious situation and help these communities?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I thank my hon. colleague for the question. Of course, as we go through the 1989 fishing season, we are plagued with a problem of overcapacity and depressed prices for the fundamental groundfish products, but I should point out that in the past fishing year, there were 100,000 tonnes of other non-surplus stocks available to the fishery of Atlantic Canada. We are working with the various fishermen's advisory committees to find better ways to make use of these non-surplus stocks which have not been harvested in past years.

We have also just announced a new enterprise allocation program for the gulf in the Hon. Member's area, and we have taken a number of other important positive initiatives to deal with this very real problem.

Mr. Speaker: I would advise Hon. Members that that concludes Question Period.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA DEPOSIT INSURANCE CORPORATION

TABLING OF ANNUAL REPORT

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table in the House, in both official languages, the annual report of the Canada Deposit Insurance Corporation for 1988.

* * *

[*English*]

NOMINATION FOR APPOINTMENT

TABLING OF CERTIFICATE AND REFERRAL TO COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker I am pleased to table, in both official languages, a nomination which was recently made by the Government. Pursuant to the provisions of Standing Order 110(2), it is deemed referred to the Standing Committee on Transport.

* * *

DEPLOYMENT OF PEACEKEEPING FORCES TO NAMIBIA

STATEMENT BY MINISTER

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I rise on this occasion to deposit in the Chamber an Order in Council approving the deployment of Canadian forces in support of the United Nations peacekeeping operation in Namibia.

I would like to take this opportunity to once again underline the importance that this Government attaches to international peacekeeping and peaceful resolution of disputes. Much has been made in recent months about the radical improvement in international relations. This is best reflected in the increased rhythm of peacekeeping activity in various parts of the world.

My colleague and predecessor, the Minister of National Health and Welfare (Mr. Beatty), stood in this House only last September and again in December to comment on Canada's peacekeeping efforts around the world and to comment again on the dedication and commitment of our Canadian Forces members to the cause of peace in foreign countries near and far.

Canada has participated in virtually every peacekeeping operation undertaken by the United Nations since the end of the Second World War. Canadian peacekeepers currently serve in such far-off places as Cyprus, Syria, the Sinai, Iran and Iraq, Afghanistan and now Namibia.

Later this afternoon, the largest contingent of troops will be on their way to Namibia. I know these men and women and their families are acutely aware of the magnitude of the tasks facing them and their individual responsibilities for the success of this mission. They know of the important role they play in preserving peace in that region and ensuring the independence of the world's newest nation. They also know of the proud tradition of Canadian peacekeepers who have gone before them and of the respect and the appreciation of the world for their efforts.

I would also like to point out to my colleagues that we have this week responded to an additional call from the United Nations above and beyond our troop commitments and will be providing additional air support for the speedy deployment of the UN force.

Peace is a precious thing. It needs to be nurtured. It needs to be cultivated with patience and with diligence. It is hard sometimes and at times it is dangerous work. It cannot be taken for granted. Canada is committed to this task, and when the United Nations has asked for our assistance in the past, we have not hesitated to respond. We will not hesitate to respond in the future.

I know that all Hon. Members wish to join in offering our best wishes and support to the Canadian peacekeepers. I cannot think of a more appropriate role for our forces and for our nation.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, on behalf of the Official Opposition, I am pleased to say that of course we approve of this decision of the Government, which by Order in Council officially approves the deployment of Canadian Forces in support of the United Nations peacekeeping operation in Namibia. Obviously, we are even more pleased when we remember that one of our former colleagues, the Hon. Don Jamieson, and then-Canadian Ambassador William Barton were both the driving forces at the United

Nations to present Resolution 435, which was the first original resolution of the Security Council on the process of Namibian independence.

Of course, we also join the Hon. Minister in wishing these Canadian soldiers good luck and in thanking them for agreeing to participate on behalf of all Canadians in this effort for peace anywhere in the world.

The Liberal Party of Canada has always been a great advocate of using the Canadian Forces for such peace missions. In this regard, I need only recall the words of my leader, the Leader of the Opposition (Mr. Turner), in a very important speech that he gave in Vancouver, where he outlined the main points of foreign policy as advocated by the Liberal Party and in which he reproached the Conservative Government for a certain timidity over the past four years in not offering the United Nations the greatest possible use of Canadian troops abroad.

The Minister's remarks are unfortunately incomplete and I deplore his failure to say anything about the situation in Namibia since April 1. Obviously, the recent incidents, the loss of life of many SWAPO members, greatly concern us Canadians. When the Minister tells us that he is sending troops to that part of the world, he should give us an overview of the situation and give a report to us in the House, to the Canadian people and especially to the families of these service people who are going to that troubled part of the world. Is the Minister absolutely sure that this peace mission is able to do the work that it is supposed to do in Namibia?

I need only say that originally, we were talking about a United Nations force of some 7,000 soldiers. We know that there will only be 4,000. Many impartial observers consider this force much too small to really do the job, for we all hope that it will make a tangible contribution to peace in that part of the world. Now, the Minister is completely silent on this matter.

Secondly, he does not say either that troops should already be on the scene. This process that should eventually lead to Namibian independence is already underway. As he speaks to us in this House, barely one quarter of the military forces have arrived. We are unable to explain this situation. And by the way, since the Minister told us that he agreed to make additional air support available to the United Nations for the more effective deployment of troops, I wonder why this offer of additional support from Canada was not made several weeks ago already, so that those men and women who will go in the coming days to help this United Nations contingent would already be in place and performing their peacekeeping duties.

• (1510)

[*English*]

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, on behalf of the New Democratic Party, I welcome the Minister's announcement. We share with the Government and Canadians the considerable pride we have in the role our Canadian Forces have played in peace-keeping operations around the world. That they are serving with distinction whether in Cyprus, Syria, the Sinai, Iran, Iraq or Afghanistan signifies the commitment of Canadians to the peaceful resolution of disputes. It is the reason why our Forces are recipients of the Nobel Peace Prize.

In the case of Namibia, as recent events attest, Canadian troops are entering a sensitive and dangerous situation. They are there to oversee the implementation of Namibian independence resulting from negotiations which did not involve the Namibian Contact group, of which Canada is a member, nor the UN Council for Namibia, but rather Angola, Cuba and South Africa. SWAPO and the myriad South African occupying forces have been engaged in bloody conflict. This is partially a result of confusion surrounding the peace process, perhaps exploited by both sides. It is equally the result of the failure of the Security Council, of which Canada is a member, to ensure speedy deployment of UNTAG forces in sufficient numbers.

Canada is highly respected in southern Africa. Its participation in UNTAG will be welcomed. However, the safety and effectiveness of our Forces as well as Canada's prestige will depend upon Canada's role in restoring trust and confidence in the role of the UN itself. That will require that the strength of UNTAG forces be set at the agreed upon level of 7,500 persons. It will depend upon ensuring that the elections are not controlled by South Africa but by the United Nations, and that there be a stop to South African manipulation and intimidation. Only then will Namibia become the world's newest nation.

[*Translation*]

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

TABLING OF REPORT OF CANADIAN DELEGATION TO COSTA RICA AND GUATEMALA

Mr. Terry Clifford (London—Middlesex): Pursuant to S.O. 34(1), it is my privilege, Mr. Speaker, to table in both official languages the report of the Official Delegation of the Canada-Europe Parliamentary Association on the Forum on Strengthening Democracy held in San Jose, Costa Rica February 6-8, 1989, and their visit to Guatemala of 8-10 February, 1989.

Concerning the report on the meetings prior to the 7th Parliamentary and Scientific Conference and the meeting preparatory to the XVIIth Annual Meeting with the European Parliament held from January 30 to February 3 and on March 29-30, 1989.

As Canadian parliamentarians, we are all agreed on the principle of establishing a Central American Parliament to foster peace, tolerance and understanding among the peoples of Central America. When Costa Rica ratifies the proposal to create such a Central-American Parliament, Canada will consider financial support towards that end.

[*English*]

The Parliament of Canada will host a conference for 200-plus parliamentarians and scientists in Ottawa in June, 1990, entitled "Global Environmental Changes, Science, Democracy and the Survival of the Planet". I urge Members of this House to become involved and to demonstrate Canada's resolve to be a leader with real expertise and solutions to offer this global challenge.

* * *

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Prime Minister) moved for leave to introduce Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-4, an Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Motion agreed to, and Bill read the first time and ordered to be printed.

* * *

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Transport) moved for leave to introduce Bill C-5, an Act to amend the Railway Act.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

RADIO ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Communications) moved for leave to introduce Bill C-6, an Act to amend the Radio Act and to amend certain acts in consequence thereof.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Agriculture) moved for leave to introduce Bill C-7, an Act to amend the Criminal Code (pari-mutuel betting).

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1520)

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C-226, an Act to amend the Canada Elections Act (election expenses).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Murphy: The purpose of this private Member's Bill is to clarify the definition of election expenses under the Canada Elections Act.

If passed, this Bill will significantly change the manner in which expense are defined. All expenses and liabilities incurred for the purpose of directly or indirectly promoting a particular registered Party will be considered the expenses of that Party.

In every election some candidates are able to exceed the appropriate spending limits because of the fuzziness of the Elections Act. This Bill will remove that confusion.

If this Bill had been passed before the last election, it would have resolved what happened in the past. It would have clarified the problem that existed with regard to the definition of election expenses that were identified by the all-Party committee looking into the matter of the campaign expenses of the Minister of Communications (Mr. Masse).

Ideally, I would like to see companion legislation proposed either by the Government or the Opposition that will deal specifically with the role of advertising by third Parties in Canada's elections. This is necessary in order for us to have a clean election Act that all Parties, all individuals, all corporations, and all unions are able to live up to.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Ron Fisher (Saskatoon—Dundurn) moved for leave to introduce Bill C-227, an Act to amend the Labour Code (severance pay).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Fisher: It gives me great pleasure to introduce this Bill. It will have the effect of ensuring more adequate severance pay for older, longer-service workers, namely, those with more than 20 years of service.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

AUDITOR GENERAL ACT

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved for leave to introduce Bill C-228, an Act to amend the Auditor General Act.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Hovdebo: The purpose of this Bill is to make the office of the Auditor General a more current and effective institution by allowing it to report comprehensive audits as they are completed, rather than once a year as at present.

For many years, at least the last 10 years, public accounts committees have supported this idea. Many Members from both sides of the House have also supported the move.

The Bill is very simple and it would only require the addition of one word to allow the Auditor General to report as each comprehensive audit is completed.

Motion agreed, Bill read the first time and ordered to be printed.

* * *

YOUNG OFFENDERS ACT

MEASURE TO AMEND

Mr. Jim Karygiannis (Scarborough—Agincourt) moved for leave to introduce Bill C-229, an Act to amend the Young Offenders Act (murder).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Karygiannis: It gives me great pleasure to introduce this Bill which proposes amendments to the Young Offenders Act.

Canadians are demanding changes to the Young Offenders Act. The amendment that I am proposing would go a long way toward achieving the necessary changes to this Act.

The Conservative Government has waited too long to consider changes. The people of Canada demand action now.

The need to protect society is far greater than the need to protect the young offender.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Mr. Rod Laporte (Moose Jaw—Lake Centre) moved for leave to introduce Bill C-230, an Act to amend the Canadian Wheat Board Act (oats and barley).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Laporte: I am pleased to introduce a Bill which amends the Canadian Wheat Board Act. Lately there has been a definite need for such a Bill. This Bill will give producers of oats and barley the same legislative protection as wheat producers presently have, which is protection from uncaring, out-of-touch Governments which are neither consultative nor considerate.

If this Bill is adopted, the Government will be obliged to bring any proposed changes to Wheat Board marketing of oats and barley before the House as legislation.

The Government will then have to consult with and hear the views of the people affected by its policies, something which it unfortunately does not presently practice.

The Wheat Board is funded by agricultural producers and they should have a say in changes that take place.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Ms. Sheila Copps (Hamilton East) moved for leave to introduce Bill C-231, an Act to amend the Food and Drugs Act (list of ingredients).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Ms. Copps: Mr. Speaker, I wish to introduce this Bill to amend the Food and Drugs Act because there are many people who don't know what is in the food they eat in a restaurant.

[*English*]

This Bill would compel every restaurant to make available for public consultation a list, either in French or in English, of all ingredients in any food sold by it, with the intention of informing consumers and giving them the

same right to know what they are eating in restaurants as they presently have when they buy food in grocery stores.

It is a life-saving measure. I believe in the last Parliament it received the support of Members on all sides of the House, and I fully expect that in this Parliament it will become the law.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

• (1530)

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-232, an Act to amend the Canadian Human Rights Act (sexual orientation).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, I have the honour of presenting once again a Private Member's Bill, the purpose of which is to implement the repeated recommendations of the Canadian Human Rights Commission, and the unanimous recommendation of the parliamentary committee on equality rights to prohibit discrimination within federal jurisdiction on the basis of sexual orientation. At the present time, lesbians, bisexuals, and gay men are not protected from discrimination in employment or access to services or accommodation. As the Canadian Human Rights Commission points out:

> . . .it has long been on record, for example, as favouring the inclusion of sexual orientation as a prohibitive type of discrimination, as is already the case in Quebec, Manitoba, Ontario and the Yukon. There is absolutely no question that such discrimination exists and that it is socially harmful.

Hopefully, the Government will finally act on its promise to move forward on legislation in this important area.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADIAN ARCTIC NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-233, an Act to declare the Canadian Arctic a nuclear weapons free zone.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Thank you, Mr. Speaker. At a time in which historic breakthroughs are being made in the struggle for peace and disarmament, I believe that this would represent a small step on the course toward disarmament. The Bill would declare the Canadian Arctic to be a nuclear weapons free zone. Hopefully, Mr. Speaker, this would be part of a global initiative to declare northern zones in the U.S.S.R., in Canada, in Scandinavia, and elsewhere to be nuclear weapons free zones, as the first step on the road toward a nuclear weapons free Canada and indeed, a nuclear weapons free world.

Motion agreed to, Bill read the first time and order to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-234, an Act to amend the Criminal Code (gun control).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: The purpose of this Bill is to extend the present law relating to firearms acquisition certificates to the ownership, possession and use of firearms, and to change firearms acquisition certificate to firearms possession certificate. The Bill would apply the criteria at present for a stipulated firearms acquisition certificate, to firearms ownership, possession, and use. There is a clear need to strengthen legislation in Canada in the area of gun control. We have seen many recent examples of that. I would hope that the House would support this important legislation that will result in the saving of human life.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-235, an Act to amend the Criminal Code.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to repeal Section 43 of the Criminal Code. That would in effect prevent parents and any persons standing in the place of parents from using force toward a child as a means of correction. This was recommended by the Canadian Commission on the International Year of the Child, by the Canadian Council on Children and Youth, and indeed we have seen circumstances in which Section 43 has been used as a shield to cover considerable violence directed toward children and young people.

I would hope that we would recognize the serious problem of the physical and sexual abuse of children in Canada, and take this important step to repeal that section of the Criminal Code that does allow the use of force and violence against young people and children.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-236, an Act to amend the Canadian Human Rights Act (reports to Parliament)

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to ensure that the long standing recommendation of the Chief Commissioner of the Canadian Human Rights Commission, that he transmit his annual or special reports directly to Parliament, as opposed to the Minister of Justice be implemented. In the most recent annual report of the commission, it stated that the commission believes its administrative independence from Government should be more clearly established. The purpose of this is because it is fundamental that the protection of human rights not be exposed to the possibility of arbitrary interventions by the executive, and because it is in the interest of the state itself that the agency it has designated to act in the public interest be manifestly able to do so independently and in a publicly accountable manner.

This is a long-standing recommendation of the Chief Commissioner of the Canadian Human Rights Commission to report directly to Parliament, and I would hope that Members on all sides of the House would be prepared to support this recommendation.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties, and tomorrow after Question Period I will be indicating the order of business for the balance of this week and next week. The discussion among the Parties related to the fact that we will be calling the eighth day of the Throne Speech on Friday. I think you would find that there would be unanimous consent for me to place the following motion immediately, and for the vote to take place immediately without debate. I move:

> That on Friday, April 14, 1989, the eighth and final designated day for resumed debate on the Address in Reply to the Speech from the Throne, in the event of any demanded recorded division or divisions, such recorded division shall be deferred until 6:00 o'clock p.m. on Monday, April 17, 1989.

Mr. Deputy Speaker: Does the Government House Leader (Mr. Lewis) have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

CHANGES TO UNEMPLOYMENT INSURANCE PROGRAM

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of constituents pursuant to Standing Order 36 that indicates their concern regarding the Government's intentions in terms of changes to the unemployment insurance program. Rather than take time to go through a whole list of concerns, fundamentally they are asking that Parliament reject any proposals to fund the much needed retraining programs from unemployment benefit funds.

DESIGNATION OF ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am honoured to present to the House of Commons today a petition on behalf of a number of residents of Scarborough. The petitioners seek the assistance of Parliament to help save the Rouge River Valley system.

The petition states that the Rouge River Valley, which is in Scarborough on the east boundary of Metro Toronto, is a unique and precious natural area. It is crucial to protect the endangered wildlife and wilderness areas. It is in the national interest to do so. That national interest to preserve the Rouge River Valley system is shared by the federal Minister of the Environment (Mr. Bouchard). I am indeed pleased to state that the Minister of the Environment has accepted an invitation to tour the Rouge River Valley area. That will take place on Sunday, April 16. He will see first hand the beauty and the majestic qualities of the valley system.

• (1540)

Therefore, the petitioners join with the Mayor of Scarborough, the hundreds of volunteers of Save the Rouge River Valley System, the Coalition of Scarborough Community Associations and humbly pray and call upon Parliament to work with the Government of Ontario to establish the Rouge River Valley System as Canadian heritage land or a provincial park.

FREE TRADE AGREEMENT—IMPACT ON DAIRY FARMERS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is an honour for me today to rise to present a petition to the House signed by almost 250 dairy farmers and citizens of southwestern Ontario. They are concerned that their marketing system may be in jeopardy due to the implementation of the Free Trade Agreement and the current round of GATT negotiations.

Canadian dairy farmers have developed the most sophisticated marketing system of any dairy people in the world and provide high quality products for our consumers. The Canadian systems have been geared to domestic requirements and have not contributed to surpluses in world markets.

The petitioners call upon Parliament to instruct the Government to hold the Canadian system up as an example to the rest of the world and to protect it in its entirety at all costs.

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to present a petition signed by the residents of the capital area concerning the forthcoming Budget on April 27.

The petitioners state that a sales tax on music lessons will hurt the average family for whom music education would become too costly. They state that with a sales tax on music lessons Canadian children will suffer, talent will be undeveloped and the future of Canadian music, both nationally and internationally, will be jeopardized, that music educators are active participants in education departments, and that their knowledge and expertise prepares students with qualifications enabling them to enter university faculties of music. Wherefore the undersigned humbly pray and call upon Parliament to consider music studies as an educational process. Therefore music education should be exempted from the proposed sales tax.

NORTHERN TAX ALLOWANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour today to present a number of petitions. The first three petitions are on behalf of residents of Thompson, Wabowden and Paint Lake in northern Manitoba and several other communities in the north of Canada. These communities were removed from a list of prescribed areas eligible for full northern tax benefits. The petitioners believe that the actions of the Minister were arbitrary and unfair, especially considering the fact that this was done before the Government appointed task force on tax benefits for northern and isolated areas reports back to the Government.

The petitioners believe that this is unheard of and makes a mockery of the entire task force.

I would like to point out that there will be over 5,000 signatures introduced into the House of Commons over the next few days.

Therefore, the undersigned petitioners humbly pray and call upon the House of Commons to direct the Minister of Finance (Mr. Wilson) to reconsider this major change of heart for the 1988 taxation year, and that there be no changes to any taxpayer currently residing in a community within the prescribed areas until the task force has completed its report.

Point of Order—Mr. Gauthier

IMPOSITION OF TELECOMMUNICATIONS TAX

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, it is a privilege today to present a petition signed by more than 200 citizens of Thunder Bay. They are concerned about the Government's imposition of a 10 per cent telecommunications tax on long distance telephone calls.

Residents of northern Ontario are compelled to make more long distance calls due to the density of population and the distances between communities.

Therefore the petitioners call upon the Government to impose ceilings on the amount of telecommunications tax any individual is required to pay.

UTILIZATION OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, as I indicated earlier I have a number of petitions to present. The second group that I will be dealing with today concerns the Port of Churchill. Residents of the communities of York Landing, Cross Lake, Gillam and Churchill, Manitoba have all sent petitions which I will be introducing today. There will be a number of petitions from other communities across western Canada.

The petitioners call upon the Government to have full utilization of the Port of Churchill. They believe it will improve the economy of Canada's prairie provinces. There is need for the federal Government to develop the obvious potential of Canada's only inland seaport.

Therefore your petitioners humbly pray and call upon Parliament to direct the Minister responsible for the Wheat Board to ensure that at the very least 3 per cent of Canada's annual grain shipment should be shipped through the Port of Churchill, and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. George Proud (Hillsborough): Mr. Speaker, I have the pleasure to present a petition on behalf of some Canadian citizens. It has been duly certified by the Clerk of Petitions pursuant to Standing Order 36.

The petitioners request that the House consider the petitioners' view that the proposed sales tax not include a tax on music lessons. If the tax goes through the petitioners feel that music education will become too costly for the average Canadian family. It is imperative that music studies should be considered as an educational process and therefore not taxable.

The undersigned petitioners humbly pray and call upon Parliament to exempt music education from the proposed sales tax.

The Deputy Speaker: I see the Hon. Member for Lambton—Middlesex (Mr. Ferguson) is standing in his place. I will recognize the Hon. Member on Petitions. Normally, I ask that members do all their petitions once they have the floor.

MARKING OF BEEF IMPORTS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have another petition on another matter from some other producers in my riding, the beef producers. They state that whereas the Canadian beef industry is being undermined by increasing amounts of unrolled or ungraded beef being imported into Canada from the United States; whereas this beef is being sold to Canadian consumers who are expecting high quality Grade A Canadian beef; and where these imports are not identified as a quality or grade, the petitioners humbly pray and call upon Parliament to take immediate action to require that all imported beef in carcass form or as boxed beef be marked as to the Canadian grade equivalent.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

[*Translation*]

POINT OF ORDER

MR. GAUTHIER—DURATION OF SPEECHES DURING ADDRESS IN REPLY TO THE SPEECH FROM THE THRONE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On point of order, Mr. Speaker.

The Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, there has been consultation among the Parties in the House about the fact that we all have quite a few Members who would like to speak in the current debate. Considering that Standing Order 52 provides that Members may speak for 20 minutes, with a ten-minute period for questions and comments, I think it would be in the interests of the House and all its Members to agree to cut our speaking time to 15 minutes, with five minutes for questions and comments.

This way, Mr. Speaker,—and I would ask the Chair to be strict about enforcing the Standing Orders—we could give more Members an opportunity to speak in this debate the next two days and perhaps give more of our newly-elected Members a chance as well.

[*English*]

Mr. Riis: Mr. Speaker, there have been consultations. I understand the proposal being put forward is for 15 minute speeches followed by 5 minutes for questions and comments. That is to be the rule for the remaining part of the Throne Speech debate. As long as we see this as not setting any kind of precedent it is in the best interests of the House and in the best interests of members of all Parties.

Mr. Cooper: Mr. Speaker, I can confirm that those discussions have taken place. We are pleased to co-operate. We think it is an excellent opportunity to ensure that we have as many Members involved in this debate as is possible.

Mr. Deputy Speaker: Is there unanimous consent for the proposal?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, April 11, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her Speech of the opening of the session; and on the amendment of Mr. Foster:

That the following be added to the Address:

"This House regrets that Your Excellency's advisors have failed to recognize the importance of agriculture to Canada's economy:

(1) by only making a three-line reference to agriculture in the Speech from the Throne implying that farmers are a drain on the national treasury;

(2) by removing oats from the jurisdiction of the Canadian Wheat Board without consulting with, or obtaining the approval of, the major farm organizations thereby adding to concerns that the Board will eventually be dismantled;

(3) by taking a position in the Free Trade negotiations which will lead to a weakening, if not the destruction, of Canada's orderly marketing systems in the grain, poultry, dairy and horticultural sectors and by not providing adequate adjustment programs as evidenced by the de Grandpré Report;

(4) by failing to commence negotiations with the U.S. on an agricultural subsidy code so that farmers will not face U.S. countervail at the whim of U.S. lobby groups such as is now threatening Canada's pork producers;

(5) by undermining the viability of the beef industry by allowing increasing amounts of "no roll" (ungraded) beef into Canada from the U.S.; and

(6) by not providing any new initiatives through the Farm Credit Corporation to cope with the farm debt crisis and high interest rates."

Mr. Mauricio Bevilacqua (York North): Mr. Speaker, it gives me great pleasure to rise for my first time in this House to respond to the Speech from the Throne.

First, I would like to say how proud I am to have been elected to the House of Commons and to represent the people of Canada's most populated riding, the riding of York North. Getting here, I must say, was a bit difficult. As a matter of fact, I am perhaps the only Member in the House who had to win the same election twice before he could take his seat. I think my experience has given me a greater appreciation for the meaning of the often heard expression "better late than never".

No greater honour can be bestowed upon a Canadian than to have been elected by one's fellow citizens to the Parliament of Canada. This was possible only because of the overwhelming support I received from the hard working, compassionate and caring people who reside in the riding of York North. I am extremely grateful to them for their vote of confidence and their expression of faith in my candidacy.

• (1550)

I pledge to my constituents that I will carry out the duties and responsibilities associated with being a Member of Parliament to the best of my abilities. I will devote my full energies with integrity, honesty and compassion as we attempt to build a strong and just Canadian society.

At this point, I must take some time to thank all those people who devoted time and energy and their commitment to my campaign, and more important to the cause and division that it represented. I am a Member of Parliament today because of those people.

Also kindly permit me to thank those people who have been very close to me throughout my life, my wife, Ellena, my son Jean-Paul, my parents, my sister, my brothers and my in-laws. Without their help, I would not have been able to sit in this House.

If would like to say a few words about the riding of York North. I guess it can be best described as a dynamic socially and economically diverse area just north of Metropolitan Toronto. It is Canada's most populated riding consisting of four large townships, Aurora, Richmond Hill, Vaughn and King with an estimated population of approximately 180,000. It is a very interesting community of urban and rural regions creating a unique environment.

As I mentioned earlier my journey to Ottawa was not an easy one, but I must say that I was very pleased to hear in the Speech from the Throne that the Government will appoint a commission of inquiry to make recommendations for needed changes and reforms to the electoral laws. I endorse their initiative. However, I must make very clear that that endorsement is conditional on the reform and that changes to the legislation be effective before the next general election. I hope that the commission does not become merely another way to further delay the progress in this very important and fundamental area of legislation.

Last April 3 when I finally got to the House of Commons, I realized that many years ago when I chose the Liberal Party of Canada as my political home, I made the right choice because it was the Liberal Party of Canada that allowed the son of an immigrant worker to seek public office, the Party that chose inclusion over exclusion. I have always believed that participation in political life in our nation is a passion and a vocation, and that the true politician is one who exercises that passion by fighting for causes that reflect the progressive vision of Canada of moving this country ahead without leaving anyone behind. I chose the Liberal Party as my political home because my faith in this philosophy, our belief in liberalism, gives us the strength to confront the powerful, to challenge the status quo, to question and seek the truth. Our faith in our Party has given us the strength to fight against anything and anyone that attempts to prevent the fulfilment of our dreams as citizens of this country.

Our Party has traditionally been the Party of reconciliation reaching out to unfairly treated minorities, to the dissatisfied regions, to disadvantaged groups of all kind and responding to their needs without alienating other segments of Canadian society.

In this Parliament today we meet at a crossroads, not at a point of arrival, but a point of departure. Where do we go from here? We must act on an agenda that challenges this generation as previous problems challenged our forefathers.

I see that agenda in the face of the single mother, who, with her children, has to stand in front of the local food bank for their daily meal. I see it in the apprehension of the 45 year-old factory worker who understands the personal threat imposed by this Government's insensitive free trade deal. I see it in the inequity of this Government's budget which has unfairly burdened our middle class while rewarding the chosen few. I see it in a failure to crack down on our drug problem which is ruining many young lives. I see it in the hurt the people feel when they are denied rightful opportunities because of discrimination based on sex, race, religion or ethnic origin and the frustration that they feel knowing that their children will be unfairly carrying the baggage of this ugly reality.

I see it in the human sufferings in South Africa, in Ethiopia, in the Middle East which cry out for a politics of caring and humanity. I see it in a country as rich as ours where there are still people without shelter, food or proper medical care.

Some Hon. Members: Hear, hear!

Mr. Bevilacqua: I see it in the sad eyes of the child sitting on the steps alone waiting for her parents to come home because our country fails to see the light when it comes to a national day care program.

While the Speech from the Throne used forceful language when talking about spending cuts, it was deliberately vague in reference to programs that might involve new money. If we are to plan for the future of Canada, we better start with the growing need for quality child care. The Government should recognize this and begin to plan for the future.

My concerns are obvious. We must decide what type of society we want to live in. Do we want a market-driven, profit comes first, people-last society or a compassionate, caring society that rewards people's efforts yet has the ability to help the weak and the disadvantaged.

Therefore, when I went to the Senate to hear the Speech from the Throne, I noticed that the over-all focus of this Government was on deficit reduction, and that reducing the deficit is of vital necessity if Canada's economic well- being is to be secured.

I would like, first of all, to be on the record as an individual who believes in the importance of being fiscally responsible. However, I sense that deficit reduction has become such a tunnel-vision view that I fear it will overwhelm all other issues mentioned or not mentioned in the Speech from the Throne. I am also wondering why this Government, that is going to raise taxes and cut spending, never told the Canadian people during the election campaign.

Over the past four years Canadians have been subjected to the sharpest tax hikes in Canada's history. These increases were introduced in spite of promises to the contrary. The speech was deliberately vague on what tax changes might be expected, but very clear that the taxes will occur. I wonder why this Government cannot tell Canadians exactly what it intends to do instead of keeping Canadians in the dark.

Some Hon. Members: Hear, hear!

Mr. Bevilacqua: I conclude my remarks by saying that the Throne Speech needs to be seriously examined by all Canadians. There is no reference to federal programs for housing or disposable federal land holdings for affordable housing or how the courts will deal with the Youth Offenders Act. No timetable for legislation was given.

Having the honour of being appointed associate critic for youth, I would be remiss in not mentioning the greatest resource Canada has as being in fact our youth.

• (1600)

I firmly believe that all government policy should take into consideration the impact that it has on youth and the environment. We must continue to establish programs which encourage young people to acquire skills necessary to meet the future demands of our economy.

Drug use in Canada, especially among our youth, continues to rise. I strongly support drug prevention programs and increased law enforcement to bring this problem under control.

Finally, I want to congratulate all Members in the House on their election. Let them always be mindful of the responsibilities we have toward Canadians and to never forget that what we do and, more important, what we do not do, seriously affects the future of this country. Canada is many people, many regions, many cultures and many ideas, with one thing in common: we all strive to attain economic and social justice. It is our responsibility to achieve it.

Mr. Boudria: Mr. Speaker, first I want to congratulate my colleague, the Member for York North (Mr. Bevilacqua), for his excellent speech. We waited a long time to have a colleague from York North after the election. It is quite evident that he was well worth waiting for. I am sure I speak on behalf of all my colleagues.

The Hon. Member stated how compassionate our society should be. I agree with that and everything he said in his speech.

The fourth fundamental objective listed by the Government in the Speech from the Throne is to foster a confident sense of Canada's culture and national uniqueness in which Canadians may have a greater sense of their common values and common citizenship.

As my colleague will know, this country was largely built against forces dragging us toward the United States. We have traditionally used such tools as the construction and maintenance of a national railway in order to keep the various parts of our country together.

I represent Glengarry, in which there is the town of Alexandria. It was founded by Father Alexander Macdonell in the early 1800s. We have the Montreal to Ottawa rail line, and the Mayor of Alexandria has written a small poem about the potential closure of the rail line. I want to read it and ask my colleague about his impressions on the maintenance of a national railway.

The poem is as follows:

Have you ever heard the story
Of how Brian came to shame
I'll tell you so you'll understand
He is trying to scrap our trains

No wonder that we are proud of
Via Rail from sea to sea
And here's the way you politicians
Please! Just let it be.

Sure'n our families and our workers
Need a train that's bright and clean
Cause you see were are not Prime Minister
And we have no limousines.

We are proud to be Canadians
So please treat us all the same
You see we don't have buses
And we can't afford a plane

Oh the airways and the highways
Are quite crowded, use your brain
Shut them down, it seems it's your way
Then we'll get to keep our trains

Coast to coast we were united
By our railways great and grand
That is why we are so excited
Canada our native land.

Does my colleague believe, as I do, that it is important to maintain our national rail service in order to link the various parts of our country together and to fight those pressures we have always had in this country which draw us toward the United States? Does he believe, as I do, that it is important to keep that railway in order to strengthen the national identity?

The Acting Speaker (Mr. MacDonald (Rosedale)): I am sorry to tell the Hon. Member for York North (Mr. Bevilacqua) that he will just have a couple of minutes to answer his colleague.

Mr. Bevilacqua: I want to thank the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for his question. It seems to me that now more than ever it is important to maintain a sense of national identity as Canadians.

Historically, I believe the railway has been something which has maintained that very essential nationhood that is Canada. It is also important that when we talk about the railway we also talk about the people in the multicultural diversity of Canada who use those railways to see what Canada is all about.

With respect to the issue of multiculturalism, I think the time has come for us to begin to review our policy and look at Canadians as equal partners in building this great land. During the election I began to look at new ways to deal with the social reality of Canada in cultural terms. I began to see that indeed we must review the policy of multiculturalism, to make it all-embracing rather than perhaps risk it becoming a policy of ghettoization. By that, I mean when we talk about the policy of multiculturalism we should be talking about English and French Canadians in the same way as we talk about Italian, Portuguese and Greek Canadians.

I think it is time to initiate a policy that perhaps looks at the establishment of a super ministry of culture that will bring in everyone throughout the country.

We have talked about the railway and the people. I think they are both important elements in Canada.

Mr. Boudria: Mr. Speaker, I rise on a point of order. In order not to be accused of plagiarism, I should mention that the poem I read was written by Mr. Jean-Paul Touchette, Mayor of Alexandria.

Mr. Deputy Speaker: Resuming debate.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, in my first address to the House I want to begin by congratulating you upon your appointment and the Speaker for his election to office. I was privileged to have been able to work for the Speaker during his term as Minister of Fisheries and Oceans. He governed for the whole country with distinction and my respect for him has only grown in the short time I have been in this Chamber. Once again, I offer my congratulations and best wishes.

I would also like to congratulate the mover of the Address to the Speech from the Throne, the Member for Calgary Southeast (Mr. Richardson), and the seconder, the Member for Bourassa (Mrs. Gibeau), for their significant and thoughtful remarks. While the Member for Calgary Southeast and I often disagree in our views on hockey—he actually thinks the Flames might beat the Oilers—we stand together in our support for the recent Speech from the Throne.

I would also like to take this opportunity to thank my constituents of Edmonton—Strathcona for their support during the past election. I look forward to serving this recently redistributed constituency which encompasses the south centre of the City of Edmonton. It includes the historic old Strathcona area, the home of the Frinse Theatre Festival, the famous Strathcona Hotel and the Princess Theatre.

Historically, the City of Strathcona amalgamated with the City of Edmonton in 1912. At one time the riding of Strathcona went as far east as Lloydminster, and so far south that it almost went to Calgary.

• (1610)

Edmonton—Strathcona shares with the rest of the city the beauty of the wide and deep North Saskatchewan River whose valley is reserved for parkland, playgrounds, picnic areas and golf courses.

My riding is home to the University of Alberta, the second largest university in this country, a world-class institution with world-class scholars and facilities. The university is keenly interested in our Government's science and technology initiatives and is looking forward to becoming partners with the federal Government in a number of endeavours. I am here to make that happen.

Also a part of Edmonton—Strathcona is the Walter C. MacKenzie Health Sciences Centre, a state of the art hospital with enormous teaching and research facilities. It, too, is excited about many of our Government's initiatives.

The City of Strathcona was named after Donald Smith, Lord Strathcona and Mount Royal, who drove the last spike of the CPR home. Lord Strathcona also served our country with distinction as a Conservative Member of this House. One might say that Conservative roots in Edmonton—Strathcona run deep. As a railway magnate, he contributed to the building of the Canadian Pacific Railway, the impossible dream which joined Canada from sea to sea and made this country truly united.

It was the railway which facilitated settlement to the west and it is the railway which continues to play a vital role in the western economy and way of life. It is for this reason that my constituents and indeed all westerners support the survival of the VIA Rail service in our communities.

As a new Member, it is an honour for me to participate in the discussion on the speech given by the Governor General last week in the Senate Chamber. The people of Edmonton—Strathcona and all Canadians know this to be a Government of action and initiative and are looking for policies which will enable Canada to better compete in world markets. This is where the future prosperity of our country lies. This is why Canadians voted last November in support of the Free Trade Agreement with the United States. Canadians realized that liberalized trade was necessary to guarantee a healthier economy.

A first step toward this goal is the adoption of a strong commitment to increasing research and development. Canada must pursue an aggressive stance in the area of science and technology. Much has already been done. On March 12, 1987, Canada's first ever national science and technology policy initiative was signed by federal, provincial and territorial Governments. This project is to be commended in that it acknowledges at all levels of Government the importance of technological advancement to Canada.

As well, the Prime Minister (Mr. Mulroney) announced the creation of a national advisory board for science and technology. Its purpose is to offer the Government honest suggestions for the improvement of the status of science and technology in Canada. The Prime Minister himself is the chairman.

In addition, in January of 1988 the Government announced a Centres of Excellence program to encourage research and development in universities. This move signals a recognition of the importance of ongoing research at post-secondary institutions. The University of Alberta is looking forward to participating in this program.

As part of the commitment of the Edmonton government caucus to this purpose, a task force on science and technology and economic development in Edmonton is currently being put together. It will consider ways of bringing increased federal participation in research and development to the City of Edmonton. I must commend my caucus colleagues for putting together this task force.

Advances in science and technology are important, but these exciting initiatives cannot take place if measures to control Canada's debt are not vigorously pursued. During the past week of debate on the Throne Speech, much has been said about the deficit and the importance of reducing it. On April 27, the Minister of Finance (Mr. Wilson) will announce this Government's Budget. A plan which will address the urgency Canadians feel toward the debt problem, a plan which emphasizes restraint and which will include measures to reduce the deficit and bring Canadians out from under the burden of the previous fiscal mismanagement, will be introduced.

It is mind-boggling, to say the least, when one considers that 31 cents of every dollar of government revenue go toward annual interest payments. Money is being borrowed solely to pay interest on the debt of the past. How can any Government pursue effective programs for the well-being of its citizens with such an oppressive weight upon it? It is my conviction and the conviction of this Government that this burden must be lifted. It will be lifted.

The Government further demonstrates its commitment to ensuring a better Canada for its young people through its acknowledgement of the necessity of addressing our environmental problems. We are spoiled here in Canada in that we enjoy a nation diverse in the character of its regions: the warm beauty of the western coast, the stark challenge of the Rockies, the rolling prairies, the sprawling urban centres in Ontario and Quebec and the historic surroundings of Atlantic Canada. These are precious features of our country, a proud legacy which we must protect for future generations.

This Government has illustrated its resolution to safeguarding Canada's environment and has committed itself to policies which reflect the concept of sustainable development, an exciting proposal in which economic policies are not removed from their environmental impact. This Government's endorsement of sustainable development demonstrates a commitment to pursue policies which do not treat economics and the environment as independent of each other.

The creation of the National Round Table on the Environment and the Economy as well as initiatives mentioned in the Throne Speech, such as the intention to limit the impact of toxic chemicals through regulations in the Canadian Environmental Protection Act, the creation of a centre for the international promotion of sustainable development to be located in Winnipeg, the promotion of environmentally friendly products and others are policies which the citizens of Edmonton—Strathcona and indeed all of Canada encourage and support. They are important for today and important for tomorrow as well.

Canada's future, for that is what we have been discussing this past week, will be shaped through our ability to adjust and compete in the technologies of tomorrow. It will be shaped through our ability to reduce and manage our deficit. It will be shaped too by our ability to accept responsibility for the damage being done to the environment and to reverse the frightening trends of today.

Canada's future will be shaped as well by our ability to face the challenges of constitutional change. The Meech Lake Accord has provided Canadians with the opportunity to strengthen our Constitution and to reinforce national unity. For the people of Edmonton—Strathcona, our Government's commitment to this purpose brings Senate reform that much closer to its realization.

Our Government has supported western Canada and has done much to alleviate western feelings of alienation. It was our Government that ended the National Energy Program, a Liberal program which crippled the western economy. It was our Government which eliminated the PGRT, a tax that devastated the oil sector in the West. It was our Government which put an end to discriminatory freight rates which favoured central Canada. Our Government has provided the avenue for the meaningful Senate reform the West has been seeking.

Last December, I rose in this House to express my wholehearted support for the Triple-E concept of reform of the Senate. I reaffirm today my commitment to that proposal and encourage those who are working, as I am, for a Senate which is elected, equal and effective. Only through election can the Senate have the mandate to act in the manner originally defined for it. Only through equal representation can the Senate ensure that the concerns of each province are heard. Only through redefining the powers of the Senate can it be made effective in its intended role.

• (1620)

The Speech from the Throne has made clear the commitment this Government has to improving Canada's ability to hold its own in a world grown more competitive in its nature. There are many challenges ahead that this Government is dedicated to meeting, challenges which this Government must address to ensure a prosperous future for all of Canada.

[*Translation*]

Mr. Pronovost: Mr. Speaker, the Hon. Member, who is a newcomer to the House like myself and many other Members, took a very broad view and referred to all the regions in this country, something I appreciated very much. He spoke to environmental issues among other things. I am referring to the Hon. Member for Edmonton—Strathcona (Mr. Thorkelson), one of the youngest Members in this House.

I would like to ask him the following question. He made a reference to the Meech Lake Accord. Considering the political climate in this country when the Liberals were in power, when we had almost total confrontation between the federal Government and the provinces, how does he see a re-elected Conservative Government as being instrumental in making Canada the united country it was before Liberal attempts to achieve the opposite?

[*English*]

Mr. Thorkelson: I want to thank the Hon. Member for his question. I agree that before the Meech Lake Accord was arrived at, there was much dissension and conflict within our federal system. The people in western Canada for the most part support the Meech Lake Accord because it helps Canadians shape their own destiny. It helps communities achieve their own aspirations and goals.

The Meech Lake Accord puts Senate reform at the top of the constitutional agenda, which is very important to western Canada. Premiers, by submitting lists of names to the Prime Minister (Mr. Mulroney), have an input into an important institution. In Alberta, Premier Getty has indicated he will hold an election to help him put together a list for the Prime Minister (Mr. Mulroney). I support this. The people of Alberta support this. I

believe we will have our first election for a senator next fall during the civic elections. I encourage the Premier of Alberta to go forward with a plan to elect a nominee and submit a list with that nominee, the second runner-up and the third runner-up, to the Prime Minister.

Mr. Harb: I want to congratulate the new Member on his speech. We have much in common. We are both interested in research and development. I appreciate it when the Hon. Member says we should be working together in order to improve in this area. The idea of a task force in Edmonton is a great one, and I hope the Government will get the signal from what is happening in Edmonton and start task forces all across the nation. I believe many of the solutions are in the hands of the communities. The communities know what needs to be done. They need tools provided by the Government. They need incentives and assistance programs.

I was involved with the research and development industry for a number of years. We have companies we can be proud of, Northern Telecom and others. This industry is penetrating the Japanese market like never before. It is prospering in the North American and European markets. Assistance in that field would be appreciated. The Hon. Member through his caucus and committee work should push the Government to invest more in research and development.

I am in total agreement with the Hon. Member that we have to save VIA Rail. We must work collectively to save VIA Rail. It is a reflection of what Canada is all about. It is the link that connects the east and west. It is a symbol of Canadian unity. It is a part of Canadian heritage.

My question to the Hon. Member is, how will you pressure the Government to save VIA Rail?

Mr. Thorkelson: I have indicated my support for VIA Rail. It was the railway that built the west. It continues to play a very important role in western Canada, moving goods in and out of western Canada.

The Edmonton-Jasper-Vancouver run is very important. Many Japanese tourists come into Edmonton. They take the train overnight through the Rockies. VIA Rail is very important to tourism.

I have discussed my support for VIA Rail with my caucus colleagues and discussions are ongoing. However, we must wait and analyse the global impact of other programs. We must be efficient.

With respect to science and technology, I thank you for your comments. I will direct them to our caucus. Our caucus has been supportive and pro-active in putting together a task force. We hope we can come to a consensus of where we should specialize in science and technology in Edmonton. In Alberta we have a resource base. We want to add knowledge and value to that. We need to examine the whole question. When we do that, I will report the findings of this task force to the House.

Mr. Harvey (Edmonton East): The Hon. Member mentioned the matter of deficit reduction. One of the banner programs the Government is contemplating is the imposition of a new national super sales tax estimated to generate between $8 billion and $10 billion in new revenue each year. That is approximately $1,000 a year for the average Canadian family.

The National Council on Welfare has informed us that for a family earning $100,000 a year, the sales taxes currently in place in Canada will gobble up approximately 4 per cent of that family's annual income. If they are earning $40,000 a year, sales taxes will take better than 6 per cent of their income. If they are struggling and trying to manage on $10,000 a year, that family will pay approximately 11.5 per cent of its income in sales taxes.

The Conservative Government of the Province of Alberta is implacably opposed to the imposition of this new national sales tax, as has been stated by Premier Getty, Alberta's Treasurer, Mr. Johnston, and by the New Democratic Party in Alberta. I will not pretend to speak for the Liberal Party in Alberta. They seem to have trouble determining that themselves.

• (1630)

Given all of this, given the nearly unanimous opposition to the creation of an at-the-till sales tax in Alberta for the first time, will the Hon. Member oppose the tax in this House?

Mr. Thorkelson: I would like to thank the Hon. Member for his five-minute question on the sales tax issue. The Hon. Member should know that when the sales tax, business transfer tax or value added tax is finally implemented, the 3 per cent surcharge on our taxes will come off. There will be tax credits for low-income Canadians.

One of the issues in this proposed national sales tax program is that we have a patchwork across the nation of different goods; some are taxed and some are not. It will be a lower rate, more broadly applied. In Alberta there is an awful lot of capital investment in the oil industry, in manufacturing and in other industries, that are taxed at a high rate. The rate will be lower. There will greater economic growth.

No, I am not opposed to the imposition of a business transfer tax, or a value added tax, or a new equitable and fairer sales tax.

Miss Deborah Gray (Beaver River): Mr. Speaker, as a new Member speaking for the first time in the House of Commons, I wish to congratulate and thank those who make this institution what it is.

I wish to congratulate the Speaker on his re-election as Speaker of the House, and sincerely thank him and the House staff for all the help and assistance they provide to new Members.

I wish to congratulate the Prime Minister (Mr. Mulroney) and each Member of the Government on their re-election and, as a western Canadian, thank them for their willingness to pursue the free trade initiative.

I also wish to congratulate the leaders and Members of the Official Opposition and the New Democratic Party on their re-election.

In particular, I want to thank the Hon. Member for Gloucester (Mr. Young), and the Hon. Member for Edmonton East (Mr. Harvey), for introducing me to the House on Monday, April 3.

I would also like to extend my condolences to the family and friends of Beaver River's original Member-elect, Mr. John Dahmer, whose untimely death necessitated the by-election in our riding.

I am especially pleased to note that the word "reform" is creeping into the Government's vocabulary, and appears at least four times in the Speech from the Throne in reference to tax reform, reform of Canada's legal system, parliamentary reform, and reform of the electoral process.

The word "reform" means constructive change and represents a long and honourable tradition in Canadian politics from coast to coast.

It was the reform parties and reformers of Upper and Lower Canada and Atlantic Canada who secured representative and responsible Government for the Canadian colonies, and thus laid the foundation for Confederation.

In the West there have been five major reform movements since 1870: Riel and the Métis, Haultain and the Independents, the Progressive Party, and the Depression Parties of Social Credit and the CCF. Each of these played a distinctive role in advancing western economic, social, and constitutional interests within Confederation.

As the first elected Member of the new Reform Party of Canada, I hope to build upon this great tradition and bring a fresh and positive perspective to the deliberations of the House and the analysis of the Government's Speech from the Throne.

Most importantly, I wish to take this opportunity to congratulate and thank the people of Beaver River for their willingness to be political pioneers.

Beaver River is a new federal riding in Alberta stretching from just east of Edmonton all the way to the Saskatchewan border. It encompasses an area of approximately 28,000 square kilometres inhabited by approximately 72,000 people.

Its three most basic industries are agriculture, energy and forestry. Our towns and businesses provide goods and services to these industries and the people employed by them. We also service a growing tourist trade attracted by our numerous and beautiful northern lakes.

Communities of Beaver River include Namao and Cold Lake, each the site of a major armed services base. Beaver River includes farming communities of Gibbons, Smoky Lake, Warspite, Thorhild and Waskatenau, many of them established and settled by pioneers of Ukrainian origin.

Beaver River includes the town and oil fields of Redwater, the site of a major oil strike in Alberta after Leduc. It includes the towns of Grand Centre, Bonnyville, and Elk Point in the heart of Alberta's heavy oil country.

Beaver River is the home of seven major Indian reserves and four Métis colonies. It includes the towns of Lac la Biche, soon to be the site of a new pulp mill, and St. Paul, one of the oldest francophone communities in Alberta.

I am pleased to report that grassroots democracy is alive and well in Beaver River. Our people, in the recent by-election, seriously considered and expressed themselves on several of the major items contained in the Speech from the Throne, items which ought to have become major issues in the general election, but unfortunately did not because of the preoccupation with free trade.

Rightly or wrongly, many of our people believe that the legislative programs of the federal Government are too centralized in their orientation, focused on managing Toronto's economic boom and meeting Quebec's constitutional demands, to the neglect of the needs and interests of the more thinly populated resource producing areas of the country.

Rightly or wrongly, many of our people believe that the processes whereby the federal Government makes policy and decisions are executive processes dominated by that arm of the Government and beyond the reach or involvement of the common people.

For example, our people feel utterly powerless to influence the high interest rate policy of the Bank of Canada, or the imposition of a national sales tax, despite the fact that our businesses, home-owners, and taxpayers simply cannot afford to pay more interest and more taxes.

Our people are not unsympathetic to constitutional amendments to make Quebec more at home in Confederation, but they want concurrent constitutional amendments, namely, meaningful Senate reform to make the West feel more at home in Confederation.

In the past generation, Mr. Speaker, it is the West which has experienced the National Energy Program and the CF-18 decision, not Quebec. It is the West's grievances which the Government should be addressing with at least as much fervour as it brings to Quebec's demands.

In its present form, the Meech Lake Accord thus fails completely to win the support of the people of the West, and the executive dominated process under which the Meech Lake Accord was developed is even more unattractive to our people than its contents.

To us, Meech Lake is not an example of democratic constitution building, but executive federalism run amok. Professor Schwartz of the University of Manitoba says Canada is moving towards government "of the government, by the government, and for the government". The Beaver River, I must report, Mr. Speaker, is not a tributary of Meech Lake. Its waters come from different sources and flow in a different direction.

I will be distributing summaries of the Government's Throne Speech and Budget Speech throughout Beaver River. I will be holding meetings in all our major communities to discuss these important documents. I shall then undertake to report back to the House, not necessarily what I think, not simply what my Party thinks, but what the people of Beaver River think about the Government's legislative program and budgetary measures.

The people of Beaver River are not as partisan as those of us here. They will not denounce the Government's legislative program as the embodiment of all evil and perversity, as some Hon. Members have done. Nor will they eulogize the Government's program as the embodiment of all virtue and wisdom, as other Hon. Members have done.

They will be more objective. They will ask and expect answers to simple, blunt, common-sense questions concerning each of the Government's legislative and budgetary proposals.

They will ask: Is it necessary? Is it fair? Who gets help and who gets hurt? Is it practical? What does it cost? Can we afford it?

I know my fellow citizens of Beaver River well enough that I can anticipate at least some of their reactions to the contents of the Speech from the Throne. For example, they will welcome the Government's commitment to environmental conservation, though they will wonder how it will work in practice.

They will welcome the Government's commitment to a strong economy and deficit reduction, but they will be looking for signs of real cost-cutting at the top, and in the thick layer of middle management that characterizes so many Government programs, before they will be willing to make sacrifices at their level.

They will frown as they read the words that the new federal sales tax is to be "fair and equitable", and they will not believe such words. Our people, you see, Mr. Speaker, were told that the National Energy Program, followed by two years of the Petroleum Gas Revenue Tax, were to be fair and equitable, programs and taxes which crippled the economy of Beaver River.

They will laugh, especially the Indian people, when they read that the Government believes "extending its programs to assist native economic development" will enable native people to "participate fully in Canada's economic development projects". The current programs, they say, simply do not work.

Lastly, the people of Beaver River will ask about the gaps in the Speech from the Throne. For example, they will wonder why there is no clear directive from the Government to the Bank of Canada concerning interest rates which are working immense hardship among small businesses and home-owners in the regions of the country where the economy is certainly not over-heated, and has not been for a long time.

• (1640)

They will also ask why the Government does not feel, in response to the demands of western Canadians, the same sense of urgency to pursue meaningful Senate reform as it feels in pursuing Meech Lake in response to the demands of Quebec. They will ask why the Government insists on subordinating Senate reform to the Meech Lake Accord.

I would ask the Government and the Members of this House to regard the concerns of the people of Beaver River as they would those of their own constituencies. The people of Beaver River are uneasy patriots, and look forward to the day when they become truly fair and equitable partners in confederation.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, I want to start off by congratulating our hon. colleague, the Member for Beaver River (Miss Grey), both in her speech and, of course, on her election. The Hon. Member is the most recent Member to be elected to the House of Commons. I think I speak on behalf of all Members when I offer the Hon. Member our congratulations.

The Hon. Member speaks of the executive type of federalism that we have, which I believe was the expression used in her speech. She was obviously speaking of the ever-increasing power of the Cabinet over the other institutions of our country, namely, Parliament. I wonder if the Member has yet had an opportunity to acquaint herself with the fact that, contrary to tradition, the Government usually requests in the Throne Speech that Parliament grant Supply. In other words, from time to time Parliament gives the Government money in order to operate. This Throne Speech does not include those key words, which are not only very traditional and historic, but are part of the conventions of how we operate as a Parliament.

Second, I want to bring the following proposition to the Member. The Government had an obligation to bring in Estimates, and to obtain Supply from Parliament last winter. In other words, to obtain funds in order to operate. Instead of doing that, the Government chose to prorogue Parliament in order not to have to go through the series of Supply days, or opposition days, as we commonly refer to them here. Instead, they prorogued Parliament and did not return until now. They went to see the Governor General in order to get an executive warrant to obtain funds in order to continue the operations of Government, rather than to ask this Parliament, the way we are supposed to do it under our conventions.

Mr. Turner (Vancouver Quadra): That is what Premier Getty did in Alberta, too.

Mr. Boudria: The Right Hon. Leader of the Opposition (Mr. Turner) expresses the fact that that is what the Leader of the Government in Alberta had done as well.

I want to ask our new colleague if she does not agree with me that it is time we gave back to Parliament not only new powers, as some people are talking about, but at least restore the powers to Parliament that it has traditionally had in our country. I thought these powers still existed until I came to the sad realization only a few short days ago in this House that this Government, during the last recess, had made many of the powers we formerly had disappear by that one request for Supply to the Governor General, instead of seeking that consent from Parliament.

Mr. Deputy Speaker: The Hon. Member for Beaver River.

Miss Grey: I think what we are talking about is what should the federal Government be doing in terms of executive federalism. I do not want to comment on the whole idea of Supply. Obviously, I am not going to be arrogant enough to assume that I know everything that goes on in the House. What I will say is I think the triangle of true democracy has been inverted, whereby when we are looking in the social studies textbooks at elected representatives going to Ottawa with their constituents' concerns, unfortunately that triangle has become inverted. We believe very strongly in direct representation by the people. What we have seen is that

triangle upside down, with Government sending their representatives back to their home constituencies with Ottawa's words for them. That triangle is inverted.

Mr. Dorin: I would like to welcome the newest Member to the House, congratulate her on being elected and on her speech. In her speech the Hon. Member talked about a number of items that were either in or not in the Throne Speech and made some comments. Yesterday we had an announcement detailing one of the items that was in the Throne Speech, and that was the overhaul of the unemployment insurance program. Details were provided on that yesterday and I would like to ask the Member for Beaver River what the Hon. Member thinks about the proposals with regard to amendments to the unemployment insurance program.

Miss Grey: I do not recall seeing the details of that in the Throne Speech.

An Hon. Member: It wasn't there.

Miss Grey: I think the people of Alberta, and the people of Canada are concerned about the Government reducing the debt. This debt has skyrocketed in the last four years, and the people in the west, as you know, are very disgruntled about that. If in fact the unemployment insurance rethinking, restructuring, will help the people and in turn do something about this staggering debt, then yes, I think it is good. I am a little disturbed about the cloudiness of the money and where it will come from and what will happen. If you discuss it with your constituents you will get a very clear idea of what they think you should be saying to this House.

Mr. Deputy Speaker: The Hon. Member for Elk Island (Mr. O'Kurley) on a short question and comment.

Mr. O'Kurley: Thank you, Mr. Speaker. I would just like to offer my congratulations to the new Member for Beaver River. The Member speaks about the deficit and the problem of controlling spending. The Member also suggested that one of the areas of concern is middle management. My question to the Member is this: What percentage of government spending goes into what you call middle management? What specific Departments would you recommend or suggest for cutting spending in these areas?

Miss Grey: Your point is well taken. I do not have figures in terms of exactly how many dollars are allocated to that. What we are concerned about is a symbolic gesture from the top which would say that we in the higher ranking echelons are willing to tighten our belts and make some personal sacrifices, thereby sending a signal to the man on the street. I have to speak personally and say that at 36 years of age I do not know that at age 42 I should be entitled to a fully indexed pension. If I choose not to get re-elected after that, or do not get re-elected, that is my prerogative. I could probably go back quite comfortably into the workforce.

Specifically, the Nielsen task force came up with 200 recommendations as to what could be done in terms of cutting out this thick layer at the top. There is a symbolic gesture. There is a real gesture, and there is a sense of taking advantage of the recommendations made by the Nielsen task force, many of which the Government has not acted on.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to congratulate the Member for Beaver River (Miss Grey) on her excellent debut in the House of Commons, and excellent speech. We can all understand why she got elected. The Hon. Member made a very forthright presentation here. The Member talks about an inverted triangle, not a Palliser Triangle. The Member is talking about the inverted triangle of government. Does she think that contributing to that inverted triangle, as far as she is concerned, is an over heavy cabinet structure with 39 or 40 members, the largest cabinet structure in Canadian history? Does she think the country would do well to eliminate about half those people opposite?

• (1650)

Some Hon. Members: Hear, hear!

Miss Grey: Mr. Speaker, I appreciate the spirit with which the Right Hon. Member asked that.

Mr. McDermid: Tell him about the National Energy Program.

Miss Grey: I think the important thing here is how efficient is the Government. If the Cabinet had been getting larger and larger and the debt had been getting smaller and smaller, I would have said: Hear, hear! I have not seen that happen, unfortunately.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, let me begin by defending the Conservative Government from an unjust criticism made of it. Critics of the Government have claimed in the past that the Government has no philosophy and no ideas, that it is

driven solely by polls and that it has no vision of the country. This was finally disproved by the Speech from the Throne brought before the House on April 3. The Government has a well-defined philosophy, a neo-Conservative agenda that it is determined to force down the throats of every Canadian. No longer can it be said that the Government has a hidden agenda. The soft words of the Throne Speech barely cover the iron fist of the Conservative Government.

The Prime Minister's unctuous words cannot disguise the threats to ordinary Canadians promised by his Government. No longer will the economically disadvantaged be protected. No longer will a democratic government defend the sick, the unemployed, the poor, our first nations and our farmers. Instead, all will be subject to the iron discipline of the market-place where the strong survive and the losers are cast off.

No disadvantaged, no hard-pressed group of Canadians is safe from attack by this Government. We have seen that with the unemployed. We have seen it with Indian post-secondary students. Yet privileged groups, big business, the most well-off are safe. Billions in corporate deferred taxes are left alone. Some 60,000 Canadians who pay no tax are left alone. The rich who do not pay their fair share of taxes are not shouldering their fair burden of the deficit problem on which the Government is concentrating. Let us look at the Speech from the Throne and ask what the Government is saying and compare it with what the Government is doing.

For example, the Throne Speech indicates that the Government is convinced that the Canadian people will endorse its efforts to control federal spending in order to maintain economic stability and continued growth. Even if this is true, what does it say about the way the Government is going about it? In terms of the unemployment insurance changes, if yesterday is any indication the Canadian people disagree fundamentally. The rich and the powerful, such as the corporations, like the changes, but that is all. Ordinary folk, those who may need UIC after losing their jobs to free trade, global reorganization or whatever, do not like it. Neither do the three million people who used UIC last year, even though the majority of them used it through no fault of their own.

The Speech from the Throne carries on by stating that the Government believes fundamentally in those social benefits which support the family and the elderly while recognizing the need to direct more assistance toward those with low incomes. Yet through tax policy to date and the proposed national sales tax the Government continues to grab money from low-income Canadians. Through assistance cuts to the provinces the Government has reduced health services and social services available to them. On the one hand the Government talks about caring for Canadians while on the other hand it makes life more difficult for them.

The deficit is important. But there are many ways of dealing with it without attacking the less well-off. We should not forget that the Government has contributed over 50 per cent to the total deficit since 1984. Even though I am sure the Government is aware of other alternatives to cut the deficit, it continues to do so on the backs of less well-off Canadians and continues to ignore alternative suggestions which would be more fair and more appropriate.

I have three suggestions to make in this regard. We could deal with the interest rate. The Bank of Canada rate has risen from a low of 7.14 per cent in March of 1987 to over 12 per cent today. We all know that a 1 per cent reduction in interest rates reduces payments on the deficit by $1.5 billion. A slight easing of interest rates, maybe 1 per cent or 2 per cent, would help us avoid some of these problems. It would help us avoid a serious economic downturn which is a serious possibility in the regions of Canada. It would also assist in limiting the growth of the deficit. So there is room in interest rate policy to address the deficit.

Similarly, with regard to job creation and economic initiatives, austerity on the fiscal side has tended at least in the regions to choke economic growth. Anybody who wants to question that should spend some time in the regions. The Government seems to view as acceptable an unemployment rate of between 7.5 per cent and 8 per cent—over one million Canadians without work. Given that each 1 per cent drop in the jobless rate produces $2 billion in net federal revenues, action on this front is itself a deficit reduction strategy.

The Government has a responsibility to introduce effective policies and programs to generate high quality jobs, high paying jobs—not part-time jobs and not jobs in the service sector at minimum wage—particularly in

Canada's regions. Investments and upgrading municipal infrastructure, environmental protection, single-industry town diversification and research and development, for example, would not only create jobs but guarantee future income source.

What about the taxation system, a system which is becoming increasingly unfair? It is not one which is becoming more fair. In 1986, for example, the Auditor General estimated that the total annual value of personal and corporate tax breaks in the country was $28 billion. The Government could immediately move to limit or eliminate some corporate and personal tax breaks, contributing to the reduction of the deficit as well as to increasing public confidence in the tax system. We all know about corporate taxes, about profitable corporations paying no tax. We all know about rich Canadians who pay no tax. We all know that 1 per cent of the richest taxpayers in the country have had their taxes cut by the Government since 1984, while those less well-off have had to increase their tax burden. That is not a fair tax system. We could increase the fairness of the tax system and contribute to reduction of the deficit.

The Neilsen Task Force, as another Hon. Member pointed out, suggested that if we open Government procurement to more tendering we could save between a quarter and half a billion dollars a year.

Last, we might look at defence spending which has increased by over one-third in the four years since this Government took office in 1984, making defence one of the fastest growing areas of federal Government expenditure.

We do not need to attack the deficit by attacking those less well-off in society. We can find other ways. We can find other more fair ways.

From the beginning, the CCF and the NDP have articulated and put into practice the slogan, "people before profits". In doing so in my province, the Province of Saskatchewan, we have managed the government of the province in a way which has benefited people first and taken people first as an important agenda item. Government is about choices. Governments can put people first, or they might not. This Government has chosen not to. Saskatchewan, under the New Democratic Government, up until 1982 had lower taxes than it has now, higher social benefits and a balanced budget. Since the Progressive Conservative Government came to office, taxes have increased, social benefits have been reduced and a deficit has been created.

It is not necessary to take out the Government's deficit reduction program on the backs of less well-off Canadians. There is a more fair and appropriate way to do it. The Government has chosen not to put people first. We need only look at the United States and the United Kingdom to see the price paid by ordinary people there, governments to which this Government pays so much attention. We can see it at work in Canada, too. The gap between the rich and the poor is getting larger. Four million Canadians live at or below the poverty line, and children in large numbers go to bed hungry. This Government must not close its eyes to this situation. Rhetoric on the part of the Government is not enough. Governments have an obligation and a duty to address the concerns of those less well off in society, and Canadians who are less well off have a right to have their concerns addressed. Instead, this Government does what the privileged, the wealthy, and the corporate establishment wants. It responds to their concerns, not to the concerns of ordinary Canadians. The Throne Speech makes that quite clear.

• (1700)

This Government has reneged on its pre-election statements and has reneged on its obligations to less well off Canadians. Cut-backs in health and post-secondary education funding to the provinces will take place in the Budget of April 27. This is not only short-sighted, but it poses difficulties and is painful to those less well off Canadians who cannot afford health care and education on their own.

Canadians are our most important resource, and to reduce contributions to the provinces which will reduce expenditures in our health and post-secondary education systems is folly at best. Indeed, this Government's policy on these matters fails even within its own sense of priority in economic terms. An investment in the future in healthy and well educated Canadians can only bring returns.

The people of Saskatoon—Clark's Crossing defeated a senior and well respected cabinet Minister of the previous Government. He was not defeated because he was a bad MP. He was defeated because the policies of his Party did not represent what the people of Saskatoon—Clark's Crossing thought were important. They did not represent a people first ideology.

The people of Saskatoon—Clark's Crossing voted against free trade. They were worried that the deal would result in fewer jobs in Canada. They were mocked by the Prime Minister and told that they did not understand what was happening. They were worried about threats to social programs and about the system of supply management which protects Saskatchewan farm families. The Prime Minister promised that all these would be untouched. Yet in the last few weeks, indeed yesterday, we have seen major attacks on social programs and on the Wheat Board. We have seen many job losses over the last short while. The Government says one thing and it does another.

In addition, we have seen a great disappointment with the Throne Speech among not only Saskatchewan farm families but other Canadian farm families too. As the amendment of the Official Opposition indicates, totally inadequate consideration was given to the problems of agriculture in this country.

In 1985 the Minister of Agriculture, after an *ad hoc* drought program that year which seemed not to be satisfactory, promised a permanent program in the future so that farmers would know where they stood financially. Yet we still have not seen it.

In the last election, the New Democratic Party's family farm protection policy put forward a strategy which could ensure that farmers would know where they stood from year to year and would know, when they planted their crop, what they could expect to receive from it. We argued strongly for strengthening farm marketing boards and supply management, for fairer alternatives to farm debt and for more tax fairness for farmers. We encouraged farm soil and water conservation policies. We argued to reduce the input costs experienced by farmers, and we argued for better commodity handling and transportation.

The Throne Speech makes no mention of addressing these problems, and I would like to move an amendment to the amendment which is presently on the floor, seconded by the Hon. Member for New Westminster—Burnaby (Ms. Black). It adds two items to the amendment and reads as follows:

> (7) by yet again ignoring the need for permanent crop disaster program as promised in December of 1985; and
>
> (8) by ignoring the needs of rural communities for basic income security and the refusal to provide a Family Farm Stabilization Program.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The House has heard the terms of the amendment to the amendment and finds it to be in order.

There will be a five-minute question and comment period.

Mr. Gray (Bonaventure—Iles-de-la-Madeleine): Mr. Speaker, I have a brief comment. As I was listening to the Hon. Member across the way stating that the Conservative Government had created a national debt, I would just like to make it clear on the record that in 1984 the previous Government left us with an annual deficit of some $38 billion. I do believe that it does not take a rocket scientist to realize that in the operation of the administration of this country that two factors come into play. One is our cumulative national deficit and our annual national debt.

In 1984, if my memory serves me correctly, I believe the national debt was approximately $190 billion, with an annual deficit in 1983-84 of some $38 billion. I would assume that if the Opposition had stayed in power our annual deficit would have sky-rocketed to more than $38 billion.

If we add four years times $40 billion, being very conservative to the Opposition, we arrive without servicing our cumulative debt at over $350 billion. If my memory serves me right, in 1985 the Opposition, after the economic statement of our great Minister of Finance, predicted that there would be in excess of over 200,000 jobs.

We know that just the opposite is true. There have been over a million jobs created by this Government in four short years. I would like to impress upon the Official Opposition and the NDP that the Conservatives did not create our national debt. If the Official Opposition had stayed in power, we would not be going into the year 2000; we would be running away from it.

Mr. Axworthy (Saskatoon—Clark's Crossing): It is clear, Mr. Speaker, that the questioner is not a rocket scientist. The point I wanted to make, and the point that is simply not admitted to by the Government, is that more than half of the accumulated deficit has been accumulated in its years of power.

An Hon. Member: Bad management.

Mr. Axworthy (Saskatoon—Clark's Crossing): It is not a matter that can be generally ignored. It is true that over the last number of years we have seen a reduction in the deficit, but let us ask on whose backs that reduction has come. We have seen tax increases on less well off Canadians. That cannot be denied. They have

been taken advantage of in this deficit reduction process. There is no doubt about that.

What I have been trying to argue for, and what the Opposition and the New Democratic Party have continually argued for, is that if we are going to attack this deficit let us at least do it fairly. Let us be sure that corporations pay their fair share of taxes. Let us at least make sure that those 60,000 Canadians who do not pay any taxes pay their fair share.

Surely we cannot accept as a proper way of taxing Canadians that we tax those whose total income for the year is below the poverty line. The poverty line for a single person living in a Canadian city is around $11,000. We start taxing those people at $6,000, while we let Canadians earning over $50,000 pay no tax at all.

Mr. Deputy Speaker: Resuming debate with the Hon. Minister of Consumer and Corporate Affairs.

• (1710)

[*Translation*]

Hon. Bernard Valcourt (Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome this opportunity to take part in the debate ont the Speech from the Throne, and I will certainly have a few things to say to the dreamers who were telling us how to reduce the deficit.

After listening to speeches by several Members of the Opposition, our socialist dreamers and our Liberal friends, I think that at this stage, Mr. Speaker, we should remember that by re-electing our Government on November 21, Canadian voters indicated that they agreed with the way we as a Government had managed Canada during the previous four years. They were satisfied with our responsible approach to the economy and to how that economy should be managed, and I think they were also pleased with steps taken by the Prime Minister (Mr. Mulroney), by the Government and the House of Commons regarding our plans for national reconciliation.

By re-electing our Gouvernment on November 21, Canadians expressed their approval of the plans for the future proposed by the Prime Minister and the Government, plans based on a continuum that will lead to a stronger economy, a more caring society and a more united Canada. This vision of the future, Mr. Speaker, was based on the conviction held by Members of our Party that Canadians have the talent, energy and determination to face the future with confidence, confident in our identity as Canadians, our values and our culture.

As for the Opposition Parties, we all know what they promised Canadian voters! What the Liberal Party had to offer and it did have something to offer—was fear, withdrawal, and a desire to go back to times long since past. Canadians simply said no to all that. Canadians said no, and despite the fact that the Liberals perpetreated acts of intellectual terrorism across the country, despite the fact that they again wanted to tell Canadians the country did not have what it takes to face the future, Canadians said: No thanks. Canadians are people who have confidence in their own capabilities, but the Leader of the Liberal Party still rises in the House to say that Canadians made a mistake. He will not respect the will of the people! I heard him say last week it was our friends in the business world, Mr. Speaker, who helped us win the election. For a gentleman who spent almost ten years on Bay Street, I think he is rather quick to repudiate his friends. Unless it was the other way round, and his friends repudiated him!

The fact is, Mr. Speaker, and this is something the Opposition refuses to admit, that since 1984, we have been the Government of all Canadians, and that is why we were re-elected on November 21.

We are now starting on our second mandate in the same spirit with which we approached our first, with a renewed desire to stimulate economic growth and regional development, and a constant concern for social justice and equal opportunities in our regions.

[*English*]

I have listened closely in the last few days to the statements made by opposition Members in this House. To hear them speak, it is as if the Speech from the Throne were only about reducing the deficit. That is all they take from the Speech from the Throne. However, anyone who cares to read it to see what the Government has proposed will know that it is a plan for the next four years for the benefit of Canadians from all regions of Canada.

These people prefer to ignore the fact that reducing the deficit is not an end in itself but is, rather, an essential condition for achieving our objectives. These objectives are laid out in the Speech from the Throne. If we have to talk about the deficit today, it is because of

the army of Santa Clauses on the other side of the House from an earlier Government.

I have heard many complaints from the two Parties in the Opposition. They were sorry that there was not a long list of promises in the Speech from the Throne. We have not said we would be everything to everyone. Rather, we have placed before Canadians a plan and objectives for what I suspect all Canadians want to maintain, that is, to ensure that in the future our kids can also benefit from the rich country that Canada is.

We are a trading nation. We are an exporting nation. The opening up of new markets will bring exceptional opportunities, provided that our economy is competitive and flexible. We intend to take the necessary steps to ensure that our industries and businesses adapt rapidly to the new market conditions. For example, it is proposed in the Speech from the Throne that we will assist small and medium sized businesses that wish to enter new export markets.

In this more open economy assistance to business will also involve two key activities—technological development and human resources development. This means that literacy training, occupational retraining and education are the keys for a workforce that is better qualified for higher quality jobs. These are also the conditions needed to penetrate an increasingly competitive marketplace effectively.

I think these objectives mean spending public funds in a way that returns dividends to society as a whole. That is what I think Canadians expect of us.

[*Translation*]

Mr. Speaker, last fall we asked Canadians to say yes to an exciting challenge. We did so because we knew that our fellow citizens do not have cold feet. They have confidence. They have the talent to do better what others do well. What the Speech from the Throne offers them today is to provide this great plan of freer trade, not only with the United States but also with other countries in the world, with the best chance of success. At the same time, the Government will continue to fight regional disparities.

Mr. Speaker, I am glad that the Speech from the Throne announces that funding will be maintained for economic development agencies such as ACOA in Atlantic Canada, FEDNOR in northern Ontario and the Western Economic Diversification Office.

We will also continue to help those in greatest need: our seniors, our low income people, our youth, and especially those who are victims of family violence.

[*English*]

Building a prosperous economy, maintaining our social programs and developing our regions in a harmonious way must be accompanied by a strengthening of Canadian unity.

Nearly two years ago, the Prime Minister of Canada and the 10 provincial Premiers signed an historic agreement, an agreement which returned Québec to the constitutional fold, which recognized its status as a distinct society within Canada and which committed the country's leaders to protecting Canada's linguistic minorities.

As a Canadian and as an Acadian from New Brunswick, I am delighted by the signing of the Meech Lake Accord. For reasons of their own the Premiers of Manitoba and New Brunswick have not felt themselves bound by the commitment of their predecessors. As a citizen of New Brunswick and a Francophone from that province, I regret the hesitation of provincial authorities in ratifying the Accord. No one on this side of the House has ever claimed that the Meech Lake Accord is perfect. We are saying that it is an essential basis on which Canadians will build their constitutional future.

• (1720)

In a brief that I presented to the special committee of the Legislative Assembly of New Brunswick, I said: "There is not one provision in this Accord which can put in jeopardy the rights of, or cause a backward step for, any group whether it be linguistic minority, women or native".

The Meech Lake Accord is a monument of balance and realism accomplished at the price of long and hard negotiation. It would be irresponsible to jeopardize it by opening new negotiations. If we took this route, we would be opening Pandora's box and heading for a new constitutional crisis that could drag on for a very long time. As Canadians concerned for the unity of our country, we cannot allow this to happen.

New Brunswick has always played an active role in the constitutional development of Canada. Two great Premiers, Messrs. Robichaud and Hatfield, have been leaders in promoting both official languages and the equality of their communities. In ratifying the Meech Lake Accord, Premier McKenna would be joining this great tradition of fairness and generosity in New Brunswick. He would be fulfilling the wishes of Acadians and

Francophones in his Province of New Brunswick. After the passage of Bill C–72 last year, the language communities would have available, with Meech, another instrument to serve their rights.

[*Translation*]

Of course, the Accord is not a constitutional panacea. The Government admits this in the Speech from the Throne by promising, once the Accord is ratified, to proceed with negotiations on Senate reform, aboriginal rights, fisheries roles and responsibilities and the language issue.

This is much more than politics, Mr. Speaker. It is the very future of the country, its balance, its ability to respond to changes, to meet requirements of flexibility and modernity.

The Canada of the Meech Lake Accord corresponds to reality and is not just a mental concept. It is made up of different people united by a common attachment to their country and inspired by a common feeling of fairness, tolerance and sharing. This vision of Canada must be written into the country's Constitution as quickly as possible.

Another challenge faced by Canadans is the environment. I am deeply satisfied that in the Throne Speech this Government put forward a plan to ensure that we will leave our children and their children a healthy–environmental heritage. Steps are put forward in the Throne Speech to ensure that our environment is protected, not by lip service but rather by taking action, implementing programs. It is my belief Canadians will welcome that initiative taken by this Government.

Another item in the Throne Speech involves social programs. Of course when we are working at creating wealth, at meeting social needs, protecting the quality of life, this as I said earlier is something we are doing for the benefit of future generations, because they must not have to shoulder the burden of our neglect.

And this is what is involved also when we speak today of reducing the deficit and the national debt.

We were famous over these last four years, Mr. Speaker, for being the first Government in decades with a serious commitment to tackle the deficit. I remember hearing in this House the Leader of the Opposition and the leader of those dreamers the necktie socialists tell Canadians our budget reductions in 1984 were going to lose hundreds of thousands of jobs in Canada.

The result is that 1.4 million jobs were created during those four years. And again we will hear the same prophets of doom after the Minister of Finance (Mr. Wilson) has delivered his Budget speech. However Canadians have already seen the positive results of our sound financial administration.

Mr. Speaker, I see that you are about to interrupt me. It is unfortunate that time be so short, but I am sure the Budget speech will provide us with a number of opportunities to respond to those who dream about bringing the deficit down and would have Canadians believe that a mere 60 taxpayers is all we need to reduce the deficit by $30 billion!

[*English*]

Mr. Nunziata: I want to ask the Hon. Member about an important issue facing our country, one that was given only a cursory glance in the Throne Speech. It is a problem that is destroying the very fabric of our nation and our youth. It will continue to destroy many young people in Canada. The problem is that of drug abuse.

I have concerns regarding the priorities of this Government and how it intends to deal with this issue. It was important for the Government to hold a royal commission of inquiry into drug abuse in amateur sport. We are all concerned about that, but that problem pales in comparison to the real drug problem in Canada. I am sure there is a problem in the Minister's own riding when it comes to drug abuse.

We in Canada have been fortunate that the drug problem is not as bad as it is in the United States. I had a conversation with several crown attorneys last week. They expressed serious concerns about the crack problem in Canada. They indicated that in three to five years our drug problems will be comparable to those in the United States. We are all familiar with the problem of crack, a derivative of cocaine. It creates violence. The City of Washington in the United States now holds the record for the most number of drug related deaths.

I would like to ask the Minister what the Government intends to do about this serious problem. Will he recommend to his cabinet colleagues and the Prime Minister (Mr. Mulroney) that there be a royal commission of inquiry into the drug abuse problem in Canada?

Will he urge his colleagues in Cabinet to give this problem the priority it deserves? In the Throne Speech a few days ago, this problem was not given the prominence it deserves. May I hear from the Minister?

Mr. Valcourt: But for the tone of the Hon. Member's question, I am tempted to recall—

An Hon. Member: Do it.

Mr. Valcourt: I will. A few years ago, the Prime Minister was in Vancouver talking about this exact problem.

An Hon. Member: All he does is talk.

Mr. Valcourt: No, no. There were people in the House that laughed at the drug problem. They said the Prime Minister was exaggerating. They were the very people who were criticizing the Government for the Prime Minister alerting Canadians to the problem of drug abuse among young Canadians. You were laughing in those days. Today the Hon. Member is suggesting to us that this is a new problem. It is not a new problem. It is a problem the Prime Minister and others in the House identified long ago.

An Hon. Member: He was jumping on Reagan's bandwagon.

Mr. Valcourt: There is a proposal in the Speech from the Throne. We know that this Government has allocated resources to fight drugs. The Prime Minister has a legitimate and personal concern about this issue. I think the Hon. Member can rest assured, if Members opposite want to work in co-operation with the Government, we will take every possible step to protect youths from this huge problem of drugs in Canada. Late conversions are better than none, and this is a welcome one.

[*Translation*]

Mr. Deputy Speaker: It being 5.30 p.m. it is my duty, pursuant to Standing Order 56, to interrupt the proceedings and put forthwith every question necessary to dispose of the subamendment and the amendment.

• (1730)

[*English*]

Accordingly, the first question in on the amendment to the amendment of Mr. Axworthy (Saskatoon—Clark's Crossing). Is it the pleasure of the House to adopt the amendment to the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment to the amendment, which was negatived on the following division:

(*Division No. 4*)

YEAS

Members

Althouse	Anawak
Arseneault	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Blondin	Boudria
Brewin	Butland
Caccia	Callbeck
Catterall	Comuzzi
Crawford	de Jong
Dingwall	Dionne
Duhamel	Ferguson
Finestone	Fisher
Foster	Funk
Gardiner	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langdon (Essex—Windsor)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Maheu	Malépart
Manley	McCurdy
McGuire	McLaughlin
Milliken	Mills
Murphy	Nault
Nunziata	Nystrom
Ouellet	Pagtakhan
Parent	Parker
Peterson	Phinney
Pickard	Proud
Prud'homme	Rideout
Riis	Robichaud
Samson	Simmons
Skelly (North Island—Powell River)	Speller
Stewart	Stupich
Turner (Vancouver Quadra)	Vanclief
Volpe	Waddell
Walker	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—98

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	de Cotret
Della Noce	Dick
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Holtmann
Horner	Horning
Hughes	James
Jelinek	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Kindy
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Soetens	Sparrow
St-Julien	Stevenson
Tardif	Têtreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—145	

• (1800)

Mr. Deputy Speaker: I declare the amendment to the amendment lost. The next question is on the amendment of Mr. Foster.

Mr. Gauthier: Mr. Speaker, I am sure you would find unanimous consent to apply the results of the previous vote to this one. It would save time.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 5*)

YEAS

Members

Althouse	Anawak
Arseneault	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Blondin	Boudria
Brewin	Butland
Caccia	Callbeck
Catterall	Comuzzi
Crawford	de Jong
Dingwall	Dionne
Duhamel	Ferguson
Finestone	Fisher
Foster	Funk
Gardiner	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langdon (Essex—Windsor)	Lapierre
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Maheu	Malépart
Manley	McCurdy
McGuire	McLaughlin
Milliken	Mills
Murphy	Nault
Nunziata	Nystrom
Ouellet	Pagtakhan
Parent	Parker
Peterson	Phinney
Pickard	Proud
Prud'homme	Rideout
Riis	Robichaud
Samson	Simmons
Skelly (North Island—Powell River)	Speller
Stewart	Stupich
Turner (Vancouver Quadra)	Vanclief
Volpe	Waddell
Walker	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—98

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	de Cotret
Della Noce	Dick
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Holtmann
Horner	Horning
Hughes	James
Jelinek	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Kindy
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Soetens	Sparrow
St-Julien	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—145	

Mr. Deputy Speaker: I declare the amendment lost.

It being 6.03 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.03 p.m.

HOUSE OF COMMONS

Thursday, April 13, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DEPLOYMENT OF PEACE-KEEPING FORCE TO NAMIBIA

TABLING OF ORDER IN COUNCIL

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to table a copy of the Order in Council regarding Canada's peace-keeping force to Namibia.

* * *

[*Translation*]

BANK ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (Minister of State for Finance) moved for leave to introduce Bill C-9, an Act to amend the Bank Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Loiselle: Mr. Speaker, today I am introducing a Bill that will provide for better disclosure of bank charges and that will improve the mechanism by which consumers can make known their complaints.

[*English*]

This Bill is the fulfilment of the commitment of the Government to reintroduce a bank service charge Bill which died on the *Order Paper* last year.

[*Translation*]

Whereas the old Bill only covered personal accounts, the scope of the new Bill is broadened to include business accounts. The new Bill also includes some technical changes.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

PETITIONS

ENVIRONMENTAL ASSESSMENT REVIEW

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to introduce a petition in the House pursuant to Standing Order 36. This petition falls out of the Rafferty-Alameda issue. The Government was brought kicking and screaming into this matter as a result of the court decision to carry out the appropriate environmental review of the matter. The petitioners are concerned about this unwillingness of the Government until forced by the courts. They are submitting this petition and humbly praying and calling upon Parliament to enact an environmental assessment review law requiring all initiatives under federal jurisdiction to receive open scrutiny and public comment. This law will establish strict criteria.

INCOME TAX SYSTEM

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the privilege to rise under Standing Order 36 to present a petition signed by several persons who are criticizing the Government for an unfair and complex income tax system. They call upon the Parliament of Canada to introduce a simpler and fairer tax system that establishes a better balance between corporate and personal taxes and restores indexation to the Child Tax Credit.

• (1110)

UTILIZATION OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present 17 petitions signed by more than 600 people on the use of the Port of Churchill. This is in addition to the four petitions that I tabled yesterday.

The people of the communities The Pas, Moose Lake, and South Indian Lake have expressed their concern with the lack of use of The Port of Churchill. In their opinion, they believe that the Port of Churchill could improve the economies of Canada's prairie provinces, and that there is is a need for the federal Government to develop the obvious potential of Canada's only inland seaport.

Therefore, the petitioners humbly pray and call upon the House of Commons to direct the Minister responsible for the Wheat Board to ensure that, at the very least, 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill, and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

NUCLEAR POWERED SUBMARINES – ALTERNATE USE OF FUNDS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have the honour of presenting a petition on behalf of the Senior Citizens Council of Saint-Laurent. As with several other petitions that I have had the pleasure of presenting to the House, the Senior Citizens Council of Saint-Laurent is requesting that the federal Government invest the $4 billion that was scheduled for nuclear powered submarines into research for AIDS, cancer, and cardiovascular illnesses.

I also have the same petition to present on behalf of the concerned parishioners of St.-Paul's Lutheran Church in Saint-Laurent.

[*Translation*]

OPPOSITION TO PURCHASE OF NUCLEAR SUBMARINES

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have the honour to present to you another petition from the Saint-Sixte Social Club in Saint-Laurent asking for the same thing, namely that Canadians' mental and physical health should be considered a priority for the federal Government and that health should take precedence over nuclear submarines.

[*English*]

LOCATION OF CANADIAN SPACE AGENCY

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have a petition from the high-tech industry workers in Saint-Laurent requesting that Parliament establish the Canadian Space Agency in the riding of Saint-Laurent because of the infrastructures which are already in place.

I have another petition with fairly close to 1,000 signatures from Bombardier Canadair—

[*Translation*]

REQUEST THAT SPACE AGENCY BE LOCATED IN SAINT-LAURENT

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have the honour to present to you another petition from Bombardier-Canadair asking the Government of Canada to take the necessary action to set up the Space Agency in the riding of Saint-Laurent, which has all the essential infrastructure to create a favourable environment so this agency can achieve optimal performance and world influence.

OPPOSITION TO PURCHASE OF NUCLEAR SUBMARINES

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, I have petitions from the Conservative ridings of Lachine, Bourassa, Mercier, Verdun, Rosemont and Laval and from the beautiful riding of Laurier—Sainte-Marie. These men and women ask the Conservative Government to cancel the construction of two nuclear-powered submarines costing $2 billion each, or $4 billion in all, and to take this money and spend it on health, which is important for everyone, on research into cancer, cardiovascular diseases, AIDS, etc. and to give this money to hospitals so that they can buy equipment to heal the sick.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, April 12, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, at the outset, I want to greatly acknowledge the support I received during the last election, and on an ongoing basis, from the members of the riding of Mount Royal. It is on their behalf that I rise to respond to the Speech from the Throne, and I hope I reflect—and I believe I do reflect—the majority views held in that riding.

Every Government makes a Throne Speech, and every Parliament debates it, but the fundamental aim of a Throne Speech is to present a Government's vision of the future. It is to present a Government's evaluation of where it is, where society is, and where it plans to go. Its vision, in other words, for Canada.

I would suggest that this Throne Speech is one the Government can ill afford to be proud of. It is one that looks at a very complex society in an international world that is becoming more and more complex and shrinking nonetheless in terms of international global action. This Government does not seem to be wakening up in the same country, with the same people and the same concerns as those people whom I know, and who are reflected through 57 per cent of the vote of this country.

Canadians are not impressed with this Throne Speech. It is a one-issue, deficit-cutting mind-set, market-force philosophy, and a very narrow-minded vision. The Government cannot and should not be proud of the message it is sending out. This is a Government that will cut wherever possible, and just as an assailant would, it indiscriminately cuts down anything that crosses its path. It is showing an inhumane face where it should have a human and warm response to the people of Canada.

Whether it is cutting benefits to the unemployed, failing to provide adequate resource services for the immigration system—and in my riding immigration is a very serious issue—whether it is ignoring the real needs of workers with respect to retraining and upgrading of skills in reading and in understanding new technologies, Canadians are wondering what type of cold, heartless, Tory Government they bought into in all blindness, I would suggest, in November.

When a family needs space for a quality child care facility, Canadians expect the Government to have solved that space problem, not only talk about it.

The Government talked about the environment, it did not indicate any direct action in one of the most crucial and important areas that affects each and every Canadian, regardless of the political spectrum in which they find themselves.

In general, I would suggest that the Throne Speech leaves many Canadians wondering whether Conservatives see many of the challenges that face real Canadians in real neighbourhoods which they deal with every day of the week. I suggest that the Government has no human face.

I am afraid that all we have in the Throne Speech is a lot of the same old tune, and perhaps a few new words with promises that have been recycled and which reflect the fact that the Government failed to act in its last mandate and we can expect very little from it in this one except cuts, cuts, cuts.

The Government agenda is not based on offering better services to the residents of my riding, or of any other riding. Instead, it wishes to disregard those needs. It wants to arbitrarily make cuts wherever it can, and in the view of the Government this is supposed to make it a better world for all Canadians.

While I may have very well-to-do and comfortable citizens on either end of my riding, the centre of my riding is soft. It is an extremely high unemployment area, and the type of proposals this Government puts forward will certainly not help those residents.

Does anyone expect Canadians to be impressed by the fact that it took the Tory Government five months, from November 21 to April 3, to supposedly study and consult about its new mandate. Then the Government had the nerve to deposit a Throne Speech that was one of empty rhetoric. We have vague promises, vague solutions, with a few surprises that had never been promised during the course of its campaign. If this is the best that the Conservatives can come up with in almost half a year of thinking, is there any hope left for the next four years?

Where have all the great promises gone? What happened to the promises of the best adjustment and retraining programs in the world? Well, one heard the new Atilla the Hun, the Minister of Employment and Immigration (Mrs. McDougall) tell us where she plans to go. If I was a marginal worker, the last in and the first out, the Minister does not give me much comfort or hope. The fact is that the Minister is in the process of enabling us to depopulate our regions by giving most of our regional people who want to retrain great opportunity and a plane ticket. Of course, there will not be any more railways. We will have to take the plane to go where? To the centre cities of our country. It is a disgrace and the Government should be ashamed of itself.

What about the assurances that no social programs would be cut? What does one call the unemployment insurance system? It was an insurance system that is part of the social fabric of this country which is being cut. This will touch tens of thousands of Canadians. Members opposite know that as well as I do. I am glad I am not going to be in their shoes when they return to their ridings and face their very angry constituents.

• (1120)

I would suggest now that the polls are closed, the ballots have been counted, the votes are all in, and Canadians cannot change their mind, the real Tory agenda is left out of the bag. This Government is not showing leadership, nor are Canadians impressed. I see Canadians returning to their old views of this Government before long. Once they settle into their old ways, the habit of putting out nice packaging on empty policies will once again erode the Government's favour.

The return to the old dark days of Tory Government is not far off because their Budget is coming. It is true we have had all kinds of leaks. It is rather unusual. I thought Don McGillivray handled it very well. His article about how our Minister of Finance (Mr. Wilson) was the advance man for his own Budget indicates his concern about how badly it is going to be received. He is trying a temporizing measure in order to soften the blow, telling Canadians: get ready, tighten your belt. Tighten it so tight you can hardly breathe, so that when I present the facts you will open up one notch and say, thank God, I did not drop dead. I am only half-way there.

The old saying was Tory days are dark days. Tory Government is tough Government. I can tell you, tough times are Tory times. I am glad to see all my colleagues happily smiling about the fact that Tory times are tough times. Other than the upper-income bracket, I wonder who else is going to enjoy that kind of approach.

In the Throne Speech there is a section called a caring nation. There is a section called national issues. I would like to talk about the language crisis. If this Government was not in hiding, if this Government had been present and taking leadership when issues of serious concern were facing this nation, perhaps we could have avoided many of the issues of concern.

With respect to the issue of language crisis, I put this point to the Prime Minister (Mr. Mulroney). When the Government of Québec told the province and the country of its plan to trample linguistic minority rights in the province, to ignore the Supreme Court of Canada's carefully crafted and thoughtful distinction as it described what could be a well-understood principle of the distinctiveness of Québec society, where was our Prime Minister?

Where was his voice? Where were the words other than soft rhetoric? The Prime Minister's rhetoric was harsh when it came to Alberta and Saskatchewan, but when it came to the English-speaking minority of Québec, where was he? I suggest that the destabilization of that community and that society is serious. I suggest that the Prime Minister's voice was absent at a very important time. When the Government of Québec trampled on linguistic rights and minority rights through Bill C-178, that was the moment that the Prime Minister, and no one else, should have acted, should have interceded, and should have challenged the Premier of Québec not to ignore the Charter of Rights, not to ignore the three courts including the Supreme Court, the Québec Court, not to ignore and let wither his own commitment to minority rights, and to ask for the withdrawal of this reprehensible piece of legislation.

Unfortunately for us that historic moment was lost. The Prime Minister did not prevail, nor did his views. I guess we really could not have expected otherwise from this Prime Minister because we now know the Prime Minister believes that the Constitution is not worth the paper it was written on. Therefore, what point was there in his standing up and speaking up for minority linguistic rights? If it was so important for him to amend and to look at Meech Lake, why was it so important if he did not believe in the Constitution in the first place?

The Prime Minister could have been forceful and effective as he was with Alberta and Saskatchewan. He could have redoubled his efforts to ensure that Québec respected freedom of expression, and have Québec accept the view that protecting and promoting the French language and culture did not require the sacrifice of minority rights, a view I fundamentally and completely believe in. Québec's French language needs promotion, protection, and an understanding heart and attitude by English-speaking minorities in Québec.

There are far more creative ways to approach that issue without trampling on English rights in that province, or French rights, for that matter, anywhere across this land. There should be a stamp of bilingual Canada from coast to coast. I have said that from the day I came into this House, from the day we started to look at broadcast and cultural issues. We must see to the stamp of a bilingual Canada, because two languages open the doors to two wonderful cultures, allow us to travel in this world and be better understood by all people. Three cultures and three languages would be better, or four or five, but certainly we should have the two which are the official languages of Canada and the social contract of this country. I acknowledge that the Prime Minister's statement in support of minority rights was made, but my point is, what good are mere words when they do not produce the absolute recognition of minority rights.

This week the Prime Minister refused a chance to really make his mark for minority rights by supporting the motion of my Leader, the Right Hon. Leader of the Opposition (Mr. Turner), that would have obliged the federal Government never to use the notwithstanding clause of the Constitution to override fundamental freedoms of the Charter of Rights and Freedoms. Did he take that opportunity? No. As the Leader of the Opposition said, if the Prime Minister is really committed to minority language rights, this would be the way to at least show the direction. The lack of leadership is rather obvious. Once again the Prime Minister lost the moment, and only history will judge that loss.

I applaud this year's report of Mr. D'Iberville Fortier, our Official Languages Commissioner. I support his call for full federal leadership in the protection of minority rights. The anglophone experience remains a humbling one in Québec for the time being, but my hope is that this Government will in the remainder of its mandate ensure that its commitments to minority rights become more than just words by ensuring that minority rights are not trampled upon again by any Government, federal or provincial.

The second issue that I wanted to address relates to corporate concentration and take-overs, which is talking about Canada's future.

[*Translation*]

The lack of leadership is apparent from this Government's failure to provide any kind of vision for Canada. They are selling off our heritage. If they don't believe me, I suggest they read the paper we were sent by the F.T.Q. which urges us to stop this cultural and economic take-over.

I believe that the F.T.Q. and the Caisse de dépôt have expressed their concern and their disapproval of this Government's failure to act. In a word, our common heritage is going down the drain.

I will read what they wrote:

> that deregulation, privatization and free trade have precipitated an unprecendented wave of sales, mergers and restructuring;
>
> that plant crossings by Gillette in Ville St-Laurent, by Jarman Shoes in Lachine, Kruger in East Montreal, and shutdowns announced at Northern Telecom in Aylmer and Sanyo in ville St-Laurent, will result in numerous lay-offs.

Other companies are mentioned as well. This is something that has been completely ignored.

> that other companies have merged or are thinking of doing so to survive free trade, thus causing even more lay-offs, for instance, Domglass with Consumers, Canadian International with Wardair, Molson with O'Keefe and Imperial Oil with Texaco;
>
> that Canadian companies are being sold or are about to be sold to American interests which are buying us lock, stock and barrel;

I hope that sooner or later, the Government is going to look at this country and decide whether it is going to sell everything we own.

• (1130)

[*English*]

The Government has been hiding from a wave of mergers and take-overs that have begun to sweep the country.

Mr. Deputy Speaker: I would ask the Hon. Member to conclude her speech. Before questions and comments I will give another minute to the Member so that she may conclude.

Mrs. Finestone: If I have to terminate, I will just deal very quickly with one other area in which I feel the Government has changed its mind and has failed in its leadership.

I refer to its choice to end restrictions on official contact with the PLO allowing for upgrading to top level. Speaking for myself, I regret my Government's turn toward increased contact with the PLO, an organization

that has proposed of late a moderate agenda for western consumption while reaffirming to its own people in Arabic the PLO's commitment to the strategy of stages for the liberation of all of Palestine. This is an organization that professes a willingness to reach political compromise, yet still refuses to repudiate its covenant which calls for Israel's destruction.

I must also express deep personal concern regarding the endorsement of the Secretary of State for External Affairs (Mr. Clark) of Palestinian self-determination. Because of its particular meaning in the lexicon of the Middle East, and its code word effect, I fear that many will choose to interpret his comments to mean Canadian support for an independent Palestinian state, or whatever else the Palestinians will unilaterally choose. That interpretation would contradict longstanding Canadian policy which has assiduously avoided pre-judging the outcome of negotiations. Indeed, Canada has, and I trust will, continue to support vigorously a peace process based upon direct negotiations between the concerned parties and an incremental approach toward lasting peace in that region.

At another time I will indicate my concerns in terms of the communications and culture dossier in my remarks following the Speech from the Throne. I hope that although there are many comments made about communications and culture as a senior issue the item—

Mr. Deputy Speaker: Are there questions and comments?

[*Translation*]

Ms. Bourgault: Mr. Speaker, I was very interested in what the Hon. Member or Mount Royal (Mrs. Finestone) had to say in her response to the Speech from the Throne. She said that the unemployment rate was incredibly high in her fiding. My comments being those of someone not from her riding, I imagine the Hon. Member would say that my perception of Mount Royal is perhaps slanted. However, when we think of Mount Royal, we think of a riding that is relatively well-off, compared to rural ridings where the unemployment rate is sometimes as high as 17 or 18 per cent.

Mr. Speaker, I would like to ask the Hon. Member of Mount Royal whether— She appears to be, and of course all Opposition Members are, against the unemployment insurance reform program. After all, they are against practically everything. Canadians know that, Mr. Speaker.

She forgot some very important points. For instance, she said her party was against the program, but have they offered any alternative? I wish she would tell me, for instance, why she is against the fact that the Government helps someone who is on unemployment insurance and who enters a retraining program to get a steady job. The world is changing, and companies are changing as well. She doesn't mention that. She criticizes the program without offering any alternatives. Let's talk about the retraining program let the Hon. Member tell us quite honestly whether she is against employees enrolling in a retraining program. That was my first point.

My second point is that she did not mention the positive aspects. She did not mention that the Government has added nearly ten weeks of parental leave to the existing maternity leave for women.

This is a very positive measure which women have been asking for for a long time. Of course, the Hon. Member would rather overlook the positive aspects of the Minister's unemployment insurance reform!

Finally, Mr. Speaker, she mentioned a language crisis. There is no such thing! There is a sign crisis in Québec, not a language crisis. Canadians agree as far as our two official languages are concerned. However, Québec has a sign crisis. They are trying to distort reality, Mr. Speaker, by making the notwithstanding clause look like the end of the world. The Hon. Member is a great fan of the former leader of the Liberal Party, Pierre Elliot Trudeau. She cannot be that fond of him today, since he was the one who gave the provinces the notwithstanding clause. The Hon. Member is more or less saying: Well, we gave you a clause, and now we don't want you to use it. So the notwithstanding clause is the provinces' business, and signage is the business of the province of Québec. The Hon. Member knows that. They are playing petty politics with a subject that deserves to be taken seriously, more seriously than the attitude reflected in what the Hon. Member has been saying in the House.

Mrs. Finestone: Mr. Speaker, it may be because of ignorance or lack of understanding of what is going on in my constituency of Mount Royal that my colleague failed to grasp the points I was trying to make. But I made myself very clear; I said that the people living in two areas of my riding can be considered well off, but that there is also a high level of unemployment in the center of my constituency. We are the immigration centre of Montreal, the landing point of immigrants coming from over 35 countries. We are a reflection of Quebec's reality. We are proud of these immigrants. We are proud of their input, of their contribution to our society. But we have to remember that they are starting a new life here, in Canada, and they need some form of training suitable

for our new market. But if you don't give them the necessary assistance through unemployment insurance and training, they will contribute nothing. So far the necessary assistance has not been for the coming.

Next you talked about the sign language crisis, you said I made a big fuss about that. Well, let me tell you that when you are rejected from your home, you will know how it feels to be an outcast. I was—

[*English*]

Mr. Deputy Speaker: Order, please. I would remind Members that because of the order that the House adopted yesterday speeches are 15 minutes and the question and comment period is only five minutes. That does not give much time, so I would ask Members to keep their comments or questions short. The same applies to those who are answering.

We will resume debate with the Hon. Member for Red Deer.

Mr. Doug Fee (Red Deer): Mr. Speaker, like my hon. colleague, I too welcome the opportunity to participate in the Throne Speech debate. Every time I enter this Chamber I do so with a profound sense of gratitude to the electorate of Red Deer who entrusted me with the privilege and responsibility of representing and speaking for them. On their behalf, it is my intention to work as diligently as possible to make certain that their views are heard by this Government.

We in Alberta were very pleased that the honour of moving the Address in Reply to the Speech from the Throne was given to an Albertan. I would like to congratulate the Hon. Member for Calgary Southeast (Mr. Richardson) and the Hon. Member for Bourassa (Mrs. Gibeau) on the excellent speeches they gave to introduce this debate.

Although the two Hon. Members represent ridings that are very distant from each other, and they each spoke in one of the official languages of Canada, they articulated a common vision for Canada. In the Throne Speech Her Excellency the Governor General outlined the Government's vision for the country. She laid out the goals and priorities for this mandate. I want to take this opportunity to reflect and discuss how these issues will affect my riding.

On November 21 of last year the voters of Red Deer returned a Member to the Progressive Conservative Government. They voted for the Canadian-American Free Trade Agreement. They voted for fiscal responsibility. They voted for the Party best able to govern. In Red Deer they voted for the Government, the first Government in many years, that paid attention to the issues and concerns of westerners.

In 1984, the Government that took office recognized the needs and aspirations of the regions of the country and set about to rectify some longstanding ill feelings. The Prime Minister (Mr. Mulroney) showed real leadership in bringing together the First Ministers to discuss constitutional change. Through co-operation and effort he reached a milestone in constitutional history, the Meech Lake Accord, an Accord supported by all 10 Premiers and all three federal Parties. This spirit of conciliation and harmony laid the groundwork for a more unified, dynamic and competitive country. Prior to 1984, Mr. Speaker, Red Deer, like the rest of Alberta, was deep in the throes of a recession that had been fueled in part by the disastrous national energy policy, a policy which devastated the small Canadian-owned service companies. The Government dismantled this program. We also got rid of the petroleum gas revenue tax. As a first step in the mandate of the first session of this Parliament we achieved secure access to the huge U.S. market by means of the Free Trade Agreement.

• (1140)

To quote the well known Alberta journalist who has not always been in support of this Party, "If Brian Mulroney can achieve the free trade with the United States, he will have done more for western Canada than any other Prime Minister in Canadian history".

Some Hon. Members: Hear, hear!

Mr. Fee: The positive impact of the Free Trade Agreement has already been felt. We have seen increased investment in Alberta. In my riding a consortium headed by Shell Canada is planning to invest some $700 million to build a state-of-the-art natural gas and sulphur recovery plant near Caroline, Alberta. The plant is going to create some 1,200 construction jobs and over 150 permanent jobs. Over $17 million a year will be pumped into our local economy.

Another positive example: Just north of my riding, Novacor Chemicals is investing some $600 million to expand its petro-chemical plant in Joffre. According to the president of Novacor himself, "This investment would not have happened without the Free Trade Agreement". Access to the U.S. market and lower tariffs will create 200 new permanent jobs in Joffre.

Agriculture is still critical to the economy of my constituency, Mr. Speaker. For a variety of reasons known to most of the Members of this House farmers are hurting. Some have lost their farms, but when you talk to the farmers, they acknowledge that never has a government done so much for agriculture as has the Conservative Government in the last four years.

Some Hon. Members: Hear, hear!

Mr. Fee: This Government was there when farmers needed it, whether because of low prices or drought. If not for the billions of dollars paid in support during the last four years, there would have been many more farms lost. The problems that are facing agriculture are complex. They are not going to be solved overnight, but this Government, through its Ministers, is working with farm groups and actively pursuing reform of the crop insurance system and a stabilization program in order to provide farmers with a more secure market-oriented environment.

The fundamental problem facing farmers across the country is one of uncertainty. We cannot go on responding to emergencies on an ad hoc basis. We need to have a system in place that will allow farmers to plan for the long term.

Agricultural reform is also needed at the international level. International trade subsidy wars are devastating our farming economy. Rural subsidies now cost approximately $200 billion a year. I believe that our farmers are the very best in the world. Our products are quality products. We can compete against anybody, but it is difficult to compete against the world treasuries of other Governments. Canada and this Government have taken a leadership role in negotiations to eliminate unfair agricultural subsidies. I congratulate the Minister of State for Grains and Oilseeds (Mr. Mayer) and his officials for their part in the recent GATT negotiations at Geneva that achieved some significant agreement in this area.

There are those who say the West has been ignored. They have not been paying attention. This Government has been listening and acting, and will continue to listen and act for the West and for all of Canada.

Some Hon. Members: Hear, hear!

Mr. Fee: On November 21 last, Canadians also voted for a government that believes in fiscal responsibility. We have reduced the rate of growth of the annual deficit. We are now taking in more money than we spend on government programs. If it were not for the responsibility of paying interest on a massive debt, we would be in the black today. This Government has made progress on the deficit, but we still have to deal with the problem of the accumulated public debt.

We now pay almost a third of every tax dollar on interest charges. To put this in perspective, we spend more money on debt programs than we do on any other single government program. We spend twice as much on debt programs as we do on government assistance to the elderly. We spend 12 times more on debt payments than we do on the total family allowance payments. We spend three times as much on debt charges as we do for the entire defence budget.

The more we borrow to pay for government spending, Mr. Speaker, the greater goes the upward pressure on interest rates. This is a serious concern to the people of my province and my constituency. We have a very valid and real concern over rising interest rates, but to combat those interest rates, we have to reduce our debt. I am very thankful that our Minister of Finance (Mr. Wilson) has a plan and is prepared to do that.

Some Hon. Members: Hear, hear!

Mr. Fee: The message that I have gotten from my constituents has been loud and clear: eliminate the deficit, reduce government spending. Above and beyond that, they tell me that Government cannot and should not be all things to all people. We are a caring and a compassionate country. We accept that we have a moral and social responsibility to help those in genuine need. But surely we realize that only with a vibrant growing economy can we afford to give the best social programs.

A liberalized trading environment which encourages and rewards initiative will help the regions and economic development. Traditionally Alberta has been a major producer of primary products. We have got our agricultural product and our energy products. In the past, because of preferential freight rates and high tariff walls, our manufactured goods have been imported from other areas. The Free Trade Agreement is going to open new

markets to us and encourage investment in value-added manufacturing. This Government will continue its role in diversification by providing direct assistance to the western diversification office. This, too, is good news for the West.

The Government is also committed to dismantling unnecessary interprovincial trade barriers. In my riding, there is already evidence to support the positive impacts of liberalized trade. A company called Sun Pine Forest Products in Rocky Mountain House is investing some $32 million to build a new sawmill and timber processing plant which, when completed ,will employ about 270 people. Much of the product that they finish will be exported to the United States.

In the City of Red Deer, the case of Drummond Brewery proves that the spirit of entrepreneurialship is alive and well in Red Deer. This is a small brewery. It was recently purchased by local businessmen and some employees of the plant. It is now aggressively expanding to market a new product in Alberta and to the United States called Dry Beer.

It is the small businessmen who are the backbone of our economy. We need entrepreneurs because it is they who get out and create wealth and jobs, not the Government. Our responsibility is to set the mood, to encourage small businessmen to build and invest for tomorrow and to create jobs.

Some Hon. Members: Hear, hear!

Mr. Fee: We are very anxious for economic development, Mr. Speaker, but not at any cost. We see more and more every day how important the environment is to our health and well-being. The emergency debate last week discussed the devastating effects of the Valdez oil spill. We have all heard scientific reports about the greenhouse effect, the ozone layer and acid rain.

The people of Red Deer value the richness and the beauty of the land. This riding is a showcase for the very best that Alberta has to offer. We have the Rocky Mountains and a portion of Banff National Park in the West. We go from there to the ranch lands and the foothills which give way to the lush farmlands in scenic Red Deer River Valley in the east. The people of Red Deer exemplify what the Governor General was referring to when she said in the Throne Speech:

> Canadians possess a unique sense of their relationship to the land, a land whose vast, rich diversity has shaped their values and experiences.

It is because people of Red Deer value and respect our natural resources, Mr. Speaker, that they applaud the Government's commitment to the environment. The Throne Speech makes it abundantly clear that this Government is fully committed to the principle of sustainable development as articulated in the Brundtland Commission. We can have economic growth, and we can protect our environment.

• (1150)

This is a concern that we are facing right now in my riding. I mentioned the Caroline area gas development group. This project has raised some serious questions about the effect of the industry on the environment and on our life-style. A very good dialogue has been established between the developers and the residents in the Caroline—Rocky Mountain House corridor. The developers have met with local land owners and concerned groups. They have established a local advisory council. I am confident that this consultative process will continue.

Having been the mayor of a small town for the last 11 years, I know first-hand the difficulties that municipalities have faced with regard to waste management. There is an accepted need for better handling of all our wastes.

I want to salute the initiative taken by the Government of Alberta with respect to hazardous materials. It has established, developed and is operating a special waste management facility at Swan Hills, where hazardous wastes can be safely disposed of in an environmentally conscious manner.

We realize the world is facing an environmental challenge. It is a challenge that goes beyond municipal, provincial and federal levels. It is international. Pollution obeys no borders. All of us must be concerned. Everyone must be involved.

There are many challenges ahead of us. Like the people of my constituency, I am not afraid of challenges, I like them. Our challenge is to make this remarkable country an even better place to leave to our children. I look forward to working with my colleagues on both sides of the House in contributing toward that goal.

Mr. Boudria: Mr. Speaker, first I want to congratulate the Hon. Member for his inaugural speech in the House of Commons. During his speech he referred to the issue of the deficit and the national debt. I am sure he knows that 50 per cent of the total national debt has been accumulated since the Conservative Government came to power in 1984.

I want to discuss some of the cut-backs envisaged by the Government, particularly in the area of unemployment insurance. Is it the view of his Party that the present cut-backs are fair and equitable? I do not think they are. For instance, unemployment in the constituency I represent in Prescott County is 13 per cent. In Glengarry County it is 11 per cent. However, because we are located in eastern Ontario in which lies the City of Ottawa, we are in the same Statistic Canada zone and therefore are evaluated as though we had an unemployment rate of 5.7 per cent. Therefore, in my riding the benefits have been cut from 52 weeks to 35 weeks under the Minister's scheme, and the waiting period has been extended from 14 weeks to 20 weeks. Does he think that is fair in an area that has 13 per cent unemployment?

Mr. Fee: Mr. Speaker, it is a pleasure to stand up and be able to respond to a question that is usually directed to our friends and colleagues in the front benches. This question has been directed repeatedly during Question Period in the last couple of days to one of our Ministers. I feel she has done a very admirable job in answering the question.

First, there are no cut-backs. We are not cutting back on the amount of money; it is being re-allocated in a way that is far more useful to Canadians. I talked to the people in my riding. I believe I have a very good relationship with them and a knowledge of their views. The people in my riding are a caring and compassionate people. They understand that there are people with needs and there are social programs to meet those needs. We want to help people gain meaningful employment. We do not want to pay people who quit jobs unnecessarily and do not want to work. We want to provide programs to train them to get meaningful employment. That is the gist of the employment program that has been announced by the Minister.

The people in my riding to whom I have spoke support that initiative. They think Canada will benefit and they believe that we will be a stronger country because of it.

Mr. Whittaker: Mr. Speaker, I always find it interesting to listen to Members opposite describe how the country has prospered over the last four years and how great it will be in the future. The Hon. Member talked about the farm community and how it has managed under the Conservative Government, with its management of crop stabilization.

I come from a riding where the Free Trade Agreement is not helping but hindering farmers in my area. The grape-growing farmers in the area have been devastated by the Agreement and the Government's attitude toward them. As well, the soft fruit industry has been flushed down the tubes as a result of the Government's attitude to them in the Free Trade Agreement. They have been sacrificed on the altar of the Free Trade Agreement.

The Hon. Member talks about how well small business has done. I agree with him completely that small business is the backbone of Canada. Yet in my riding I hear complaints from small business people who make their living from farmers and the farm community, which has also been flushed down the tubes by the Conservative Government.

Will the Member push his Government to bring some equity to farmers in the Okanagan region? Will he push his Government to ensure an equitable system of income stablization for the western farmers and farmers in the Okanagan Valley of the British Columbia region?

Mr. Fee: Mr. Speaker, I do not mind answering those questions at all. I am proud of what has happened with the Government. I am not necessarily proud nor pleased with the state of the agricultural economy in this country.

If the Hon. Member listened to my comments, he would have heard me say that farmers in this country have been devastated for the last few years. If it had not been for the subsidy programs put in place by our Government, I do not think we would have a viable agricultural sector in Canada now.

Those of us who are new to the House have a lot to learn. People must realize that when we discuss free trade there is a difference between what is affected by the GATT and what is affected by the Free Trade Agreement. When we discuss grapes, we are talking about something put in place by the GATT Agreement, not necessarily the Free Trade Agreement.

The Hon. Member asks what I would do to encourage our Minister and the Government in regard to subsidies for farmers. I would encourage the Minister to carry on as he has. He has been holding meetings with farm groups and farmers from coast to coast in Canada. He is soliciting input from the people who are working there. He is getting their ideas and will formulate his policy based on the recommendations he gets from the people who are most effective. I think that will be the basis for good Government and positive programs in the months and years ahead.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the House will know that in the Speech from the Throne there is a reference to the continued progress in reducing the deficit. I would like to deal with that for a moment, particularly for the benefit of Members opposite who are making claims about fiscal responsibility on the part of the Government they support.

When the Government came to power in September, 1984, alas, the deficit of the Government of Canada, according to figures from the Department of Finance, amounted to $177 billion. It was due to a number of reasons, including the fact that during the world recession we suffered in 1982 and 1983 the Liberal Government of Canada pumped money into the economy to create jobs when employment was very high. That was a very important social economic initiative which served to provide the necessary shock absorbers to overcome a very difficult period in Canada and elsewhere.

I want to draw the attention of the House to the fact that today, when considering figures about the deficit of the Government of Canada, we see that it is an astonishing amount of $321 billion. This means that from the time the Progressive Conservative Party came to power in September, 1984, until today, there has been an increase in the deficit of $144 billion. That is the reality. To make in the Speech from the Throne a reference to continued progress in reducing the deficit is really taking the Canadian public for a ride, to say the least. It just shows the sense of irresponsibility on the part of government Members, including the Hon. Member for Red Deer (Mr. Fee) who just finished his speech a moment ago, who are claiming that the Government is committed to fiscal responsibility.

• (1200)

How can a Government be committed to fiscal responsibility if it is capable, in the four years since it came into power, of increasing the deficit of Canada by $144 billion? That defeats the imagination and the intellect of anyone. Only Tories can attempt to create that kind of a smokescreen, though I am sure most Members present in the Chamber right now do not believe it. However, some perhaps do if they are absorbed or drowning in their own rhetoric. The record of this Government since it came into power is an increase in the deficit of $144 billion. So much for fiscal responsibility.

Let us look for a moment at this immense preoccupation of the Minister of Finance (Mr. Wilson). Because of reasons well beyond the control of this Government, the Minister of Finance feels that we must reduce the deficit. Because of international expansion in the economies of the world, we had four years of expansion in our economy as well. The pie has become larger. The wealth of this nation is greater. Therefore, as a percentage of our Gross Domestic Product, a fancy economic phrase to reflect the wealth of the nation at any given time, the deficit has gone down from roughly 7 per cent in 1985 to 4.9 per cent in the fiscal year just concluded, 1988–89. As a percentage of our total wealth, the deficit is shrinking by over 2 percentage points. This means that the obsession on the part of the Minister of Finance with the deficit has to be justified, explained and corroborated against the trend in the figures.

The figures are important because we have to look at these figures not in abstract, not in isolation, but as they relate to the total picture. When we do as I am attempting to do this morning, which is to attempt to relate the deficit as a percentage of our total wealth, we find a decline in that percentage. That means that on the whole, the deficit is coming down as a percentage of the total.

It is true that we have high interest rates which are probably the result of mismanagement on the part of the Government and which could be the subject of another speech, were it not for the fact that I would like to deal with the environment. That is another matter. The important main points are that as a percentage of the total, the deficit is going down and that during the first Parliament in which these Progressive Conservatives were responsible for the finances of this nation, the deficit went up by nothing less than $144 billion in the name of fiscal responsibility.

Let me move on to this great title in the Speech from the Throne, "The Environmental Imperative". It is a very impressive title, I must say. It really makes one stop and think: "The Environmental Imperative". Who wrote it, one might ask. Yet when one reads what comes under this high-sounding title, one begins to wonder.

For the benefit of new Members across who perhaps do not know certain things which are, however, on the record, the Government which wrote this Speech from the Throne is the same Government which cut from Environment Canada, during the last Parliament, some 336 jobs. It is the same Government which increased its Budget, in the last year of the previous Parliament, 1988-89, by 3.6 per cent while the over- all increase in all government spending was 8 per cent. In some Departments, it was 11 per cent or 14 per cent and even 24 per cent as in the case of Agriculture.It is the same Government that watched the shrinking of the Environment Canada budget by more than $70 million between 1984 and 1989 because of inflation. Not only was the Department of the Environment not able to keep up with inflation in the previous term of the Progressive Conservative Government, but it lost ground to inflation to the tune of some $70 million.

Let us look at what we find in the Throne Speech under this impressive heading. We find a reference to a Drinking Water Act. That would be good were it not for the fact that it was also promised in the 1984 election campaign. Do you remember that, Mr. Speaker? Some of us do, unfortunately. It was promised in 1984, but the Government is now able to trot it out to make it seem to be a novel thought, something that all of a sudden has inspired and illuminated the progressive thinkers across the aisle.

What else do we find? We find a promise to introduce environmental assessment legislation. That is good stuff too, no doubt. However, it was also promised in the 1984 election campaign. Not only that, but in the light of the federal judge's decision on the Rafferty-Alameda dam, which is based on a Liberal Order in Council of June 1984 from which he drew the powers, this environmental assessment legislation may no longer be necessary.

We also find in the Speech from the Throne under research and development a promise of leadership. This time it is a promise of leadership, whatever that means. We do not know. It is interesting to compare this promise of leadership with the fact that during the 1984 election campaign, the then not yet Prime Minister and the so-called Progressive Conservative Party said that they would double research and development spending, but they have now chosen to go for leadership.

Then we find in the Speech from the Throne a promise to create regulations for toxic chemicals. This again sounds very good, but whoever drafted it under the instruction of the Government did not realize that the power to write regulations for toxic chemicals is already in place. We have an Act in place, the Canadian Environmental Protection Act, to do exactly that.

Then there is a reference to support for environmentally sustainable development but no commitment on how to do it and where to do it. There is a tiny reference to participating in the creation of the sustainable development centre in Winnipeg. Here the language deserves a moment of attention. It is quite different from the commitment the Prime Minister of Canada (Mr. Mulroney) made before the General Assembly of the United Nations last summer when he committed himself and his Government and therefore the Canadian nation to establishing such a centre. There was no qualification or wavering. There was no shade of meaning. It was a clear-cut commitment to establish. Instead, we find during this term that the Government will participate in the creation of such a centre. That means if Manitoba puts money on the table, perhaps Ottawa will do something. It is no longer the clear-cut federal commitment that earned the Prime Minister (Mr. Mulroney) applause at the United Nations when he made that speech.

• (1210)

We should also approach what is missing in this Speech from the Throne. The first item that comes to mind is that there is no reference to expansion of our national park system, something Canadians hold dearly and something that should be on the agenda of a Speech from the Throne.

Second, this Government does not realize we have a major issue of global climate warming. Not one word or reference is made to climate warming and the role of the Government of Canada to tackle this long-term, difficult issue. It does not exist on the agenda of the Government for this session of Parliament.

Flowing from that, there is not one word or reference in the Speech from the Throne to energy policies. These policies are essential if we are to tackle the question of global warming. There is no commitment to energy efficiency. There is no commitment to launch a new wave of R and D into renewable resources of energy. There is no commitment to reduce our dependence on the burning of fossil fuels that contribute to the climate warming trend. This is astounding.

There is no reference in the Speech from the Throne to how this Government wants to implement sustainable development by integrating the economy and the environment. Budgets and programs must be announced to integrate the two.

I see my time is up.

Mr. Pagtakhan: Mr. Speaker, I am delighted to hear my hon. colleague clearly dissect the Speech from the Throne.

Mr. Blaikie: I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Winnipeg—Transcona (Mr. Blaikie) rises on a point of order. I know what it will be.

Mr. Blaikie: You know what it will be, Mr. Speaker, because I have raised it before. The intent of the question and comment period is—

Mr. Deputy Speaker: I know full well what the intent is.

Mr. Blaikie: —to hear Members from other Parties first. That is my understanding.

Mr. Deputy Speaker: The Member is correct in everything he is saying. If the Member for Winnipeg—Transcona will give me a little time I will become familiar with the ridings. I knew this Member's riding. The Member for his Party normally would be chosen first and will be chosen at this time.

Mr. Brewin: I rise on a point of order. If the general rules are that you recognize someone from the other Parties first, Mr. Speaker, it would be possible to do so now.

Mr. Deputy Speaker: It is left to the discretion of the Speaker. I have chosen this Member now. I will choose the Hon. Member for Victoria (Mr. Brewin) when the Hon. Member for Winnipeg North (Mr. Pagtakhan) has finished. I understand what the Member for Winnipeg—Transcona is saying.

Mr. Pagtakhan: I remain convinced that this Government has exercised fiscal dishonesty rather than fiscal responsibility. This Government is a government of promises and not a government of commitment.

I remain convinced that the Government—

Mr. Merrithew: Where is the question?

Mr. Pagtakhan: I am coming to it. I remain convinced that the establishment in Winnipeg of an environmental centre for sustainable development may be in jeopardy. The Manitoba caucus for the Liberal Party will fight the Government on that issue.

My question is directed to the Hon. Member for Davenport (Mr. Caccia). How does he see the issue of interest ratebearing on the deficit?

Mr. Caccia: It is an interesting question, and I wish I could master the economic knowledge to answer the question in an expeditious manner. There is a definite relationship, and one should be aware of that. However, to give the Members from Winnipeg—Transcona and Victoria (Mr. Brewin) a chance to ask their burning questions and rehash the past—

Mr. Brewin: I do not want to miss the opportunity to rehash yours.

Mr. Caccia: The Tories love the word "leadership". When it comes to the crunch and putting money on the table, they somehow waver.

The future of the centre in Winnieg will fall victim to lack of leadership by the same Prime Minister, Government and Party who proclaimed they are the champions of giving leadership. It would be a sad development if the Government were not to keep the word the Prime Minister gave to the General Assembly of the United Nations.

Mr. Brewin: Mr. Speaker, I had intended to give some compliments to the Member for Davenport (Mr. Caccia), but I will have to reduce my comments in order to give him a chance to reply. I remember him as a progressive member of city council in Toronto. I watched his career with interest. It stands as a mark for other progressive Liberals as to the fate that awaits them in the Liberal Party. I always thought the Member should be a member of our Party.

The Hon. Member for Davenport talked about deficit budget cutting—

Mr. Merrithew: You see, Charles, you missed an opportunity.

Mr. Brewin: Yes. The Member may have gone further had he chosen better at the beginning.

The Hon. Member gave his speech largely on the Budget. There is one element of the Budget we look forward to with anticipation. That is the treatment of defence spending. There is a likelihood that defence spending will be treated by this Government as a sacred cow, that it will not look hard at how military expenditures are directed in this country. We heard rumours that nuclear subs will be retained. Excuses are being trotted out as to why that should be.

There are hard questions that should be asked about the extent of expenditures on the military in this country. We all honour the work of those in the armed services. That does not put them beyond the requirement that services rendered to this country be subject to a rigorous set of questions. The services rendered in anticipating potential military risk to this country, are they responding to any likely risk at all? How do frigates respond to any perceived risk or threat to the security of this country? What is the military expenditure in Europe? I am looking forward to the Member's response.

• (1220)

Mr. Caccia: I thank the Hon. Member for Victoria (Mr. Brewin) for his kind and generous words. It seems that he has put forward the question and answer much better than I could.

When examining whether or not the defence budget should be of a certain size, first I have to ask, who will attack us? Who is going to attack Canada? Until that question is clarified, a defence budget cannot be defined. It is as basic is that.

Second, what is on the agenda of the world? What issue is there to warrant a war? Is there item that would warrant a war? That is also a question that ought to be tackled and an answer provided.

Unfortunately, the Progressive Conservatives live with a psychosis of the 1940s and 1950s and have not realized that the world is changing very rapidly. Therefore, they are launching budgets for defence which may have been warranted in the 1930s. History is full of examples of generals who have been preparing themselves for the past war.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to rise today to speak to the House. I am always honoured to address the Chamber, particularly on Speeches from the Throne which give us latitude to talk about a range of subjects.

First, I wish to express my thanks to the people of Crowfoot for once again allowing me to be here in the Parliament of Canada. I believe that the past four years between 1984 and 1988 have been particularly advantageous for western Canada, and certainly no place more than the Province of Alberta, by the fact that the Progressive Conservatives have served as the Government of Canada.

During that period of time we were able to put in place the Free Trade Agreement. It was ratified in the early part of this term. It was a great national debate, and one on which people believing strongly in their country took different points of view. I believe that no matter what side of the issue the people were on, they did so from the conviction of how deeply they loved Canada.

Having said that, it is now a period of time when observations can be made. Certainly on the Prairies there is new investment coming into our country. In western Canada, where the bulk of our red meats comes from, we were sending them to other parts of the world for processing. We are now developing processing plants. I single out particularly one of the most technologically advanced meat packing facilities in the High River community of Alberta that will put in place a world-class meat processing and packing unit that will largely be aimed at the western United States coastline, particularly focused on the City of Los Angeles. Because of the reduction of tariffs we will have an opportunity to penetrate that market and to value add to bring into realization the opportunities of new jobs that come from added manufacturing.

The same point can be made with respect to the petrochemical industries. On the issues of ethane and methane we have had to climb over tariff barriers of 16 per cent and 18 per cent respectively. Now, because of the opportunity for tariff reductions, we have a capacity to penetrate a market and to manufacture rather than to export raw product through pipeline, and thereby create jobs.

Those who were the great defenders and stated that we ought not to have such an arrangement, in effect were continuing to ask not only for the export of natural gas through the pipelines to another country, but to ask for the export of the jobs of sons and daughters through that same pipeline by denying opportunity to value add and create job opportunities.

In grain, in manufacturing, and in the red meat producing areas of our country, that part of the western area of the Prairies, we certainly have enriched opportunities to penetrate not only the western United States market, but because of the skills and the technological advancement of those manufacturing bases, also to penetrate Asia.

We have to pay increasingly more attention to Asia. By the year 2005, 70 per cent of the world's population will be on the Asian continent. It behooves Canada, but more importantly it is a signal to western Canada, to pay significant attention to Asia, its dynamics, and potential.

In the last Parliament I was pleased to have a fairly influential role in attempting to bring about the Terra Agreement between Canada and China. The Terra Agreement may not be well-known to many Members of the House of Commons, although I know it is well-known to members of the Alberta caucus. It is a program of relationship signed between Canada and China to do first research, and then to expand to a world-class travelling museum that will focus on palaeontology, or specifically to talk about the dinosaurs of the Red Deer River Valley of Alberta—

Mr. Robinson: The Alberta caucus.

Mr. Malone: —and the Mongolian desert of China.

One of the Members of Parliament from the New Democratic Party thought he saw some humour in talking about dinosaurs. I want the Hon. Member to know that when people who attend exhibits around the world are polled as to what it is that they want to see, whether it is in Sydney, Australia, New York, or Paris, the number one exhibit that those people want to see is that of the dinosaurs.

The new Museum of Palaeontology in Drumheller, Alberta which is in my constituency, looked too large when it was built a few years ago, and is now overcrowded. Last year 600,000 people, mostly world citizens, attended that magnificent and spectacular museum.

When this program is in place between Canada and China, there will be a world-class travelling museum equal to that of the King Tut exhibit that will focus a new emphasis on tourism in western Canada and will bring world citizens from far and wide to see the tremendous history of this large creature that roamed in that area some 60 million years ago.

I want to talk about some things that we can do in this Parliament to pay tribute to some of the groundwork that has already been established. First, there is a great deal of work and effort to be undertaken with respect to the GATT. I am proud of the fact that I belong to a Party that took the initiative with the General Agreement on Tariffs and Trade. In Tokyo 3 or four years ago the Prime Minister first raised the subject of agricultural subsidies. That was followed up in Uruguay by the Secretary of State for External Affairs (Mr. Clark) when he insisted that agriculture be on the agenda for the General Agreement on Tariffs and Trade. It was Canada's persistence that forced that issue to be on the agenda, which it never was before, and which was resisted very strongly particularly by those in the European Economic Community.

This past week we started to see the results of the GATT negotiations. New corner posts are being struck and new commitments are being made to bring about a resolution that will hold some hope for our farmers, unlike that which we have seen in the past four, five, or six years. Today Canadian farmers come up against a $200 billion subsidy wall in Europe and in the United States and have to compete against that treasury force in order to get our product on the international shelf. Here we are as a small nation of 25, 26, 27 million people having to come up against an international wall of treasury support by the United States and Europe of $200 billion. Clearly, that has the capacity to destroy our farmers, unless we are able to bring about a negotiated settlement of the General Agreement on TARIFFS and Trade. I am so pleased that at least that past inflexible position of the GATT has been broken and the optimism is there. I wish our negotiators well for the sake of agriculture.

• (1230)

In Alberta it is important that we give some new attention to hydrogen as an optional fuel. There is a desire among some in Ontario and the Province of Québec to do research into the potential of hydrogen fuels. It is my hope that as a nation we can jointly recognize that this is a concept that has the capacity to be researched, developed and worked upon in both sides of the coun0ztry at the same time. I believe that Ontario and Québec from its hydro power has a capacity to do some work with hydrogen. Likewise, I believe the Province of Alberta with its natural gas resources from which hydrogen development can likely be advanced more

quickly is a very key and important player in this development.

It is important that we start looking for options for fossil fuels, because any concern that we have for the environment will have a tone of hollowness to it, as long as we have only the perspective of fossil fuels now or in the future. I hope that we can continue to work as two sides of this country, to enhance and advance the utilization of hydrogen as a fuel in this country. In the interim it would seem to me that the time has come when we should signal to the manufacturing basin of Canada in southern Ontario that they should pay more attention to the utilization of low-sulphur coals from the west, rather than bringing in the high pollutant coals that they are presently importing from the United States. One of the major causes of acid rain from our sources is the fact that the present coals are high in sulphur, and high, therefore, in the emisions of sulphur dioxide. I believe there are other options for which we can spend Canadian dollars in Canada, buy from ourselves, and at the same time have a tremendous and positive impact on the reduction of acid rain within our country.

I want to talk about the debt for a few moments, and to say that I have never heard anything quite so hollow as I did a few moments ago when I heard the Hon. Member for Davenport (Mr. Caccia) try to dismiss the seriousness of the debt in this country. The debt is growing at a rate where the interest on the debt itself is now increasing at $3 million an hour. That is the kind of burden that this country faces. Every day we have loaded upon us another $80 million of burden. Those who would like to somehow turn a deaf ear to that signal, and pretend that we can go on with programs and government expenditures without raising taxes and without ever paying our debt, are the same people who would relish anything that they might achieve for themselves today, as long as they can put the burden of that price into the future, and on their children. If this issue is not tackled now it will lie as a burden for all future generations. That is a burden that is unacceptable and absolutely and totally inappropriate. We are in a situation where that debt must be brought under control.

The debt stands as one of the major engines of the present situation of high interest rates. When we talk about the debt there is in this country a tremendous notion among the individual citizens that the debt is the federal Government's debt. But it is not just limited to that. The fact of the matter is that the private debt in this country is double that of the federal Government's debt. When some agency, like the International Monetary Fund, or World Bank, takes a look at the question of the country's debt, it does not ask only the question as to what is the federal Government's debt. It wants to know that nation's debt position. In other words, it is asking the question about the private sector, the federal Government, provincial Governments and municipalities. All those totalled together are something in excess of $1 trillion. That is the number that we need to focus on, that magnitude of 26 million people, a $1 trillion in debt. It is with a view to that scope of burden that we have to address the whole question. It is with the realization that it is not just the federal Government's problem, it is a Canadian problem at every government level and in our private lives.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen).

Mr. Kristiansen: Mr. Speaker, I would like to ask the Member for Crowfoot (Mr. Malone) a question, but first of all I would like to assure him that I along with my family have also enjoyed the exhibits at Drumheller. I and countless other Canadians look forward to the day when all of the various members of dinosaur species, including some of the Members opposite and those who have been opposite in the previous four years, will find themselves on permanent display as an example of the interesting but quaint relic of ages past.

More seriously, we have seen a lot of examples of dinosaurs' wrecks in the statement on UIC changes by the Minister of Employment and Immigration (Mrs. McDougall) in the House the other day. But there are a few examples that obviously were inspired by some of the gentler members of the species. One of those is the provision within that statement that is allowing workers access to benefits during labour disputes in which they are not direct participants, and allow workers to draw sickness or maternity benefits even when a labour dispute takes place at their place of employment.

I am interested in hearing from one of the Members opposite, in particular the Member for Crowfoot, as fond as he is of dinosaur exhibits and their history, to give me his rationale, or the Government's rationale and justification for those changes, which many of us welcome. These will be welcomed by a number of working people

across the country, particularly by pulp and paper workers of Canada Local No. 1 in Castlegar, who have asked for some of those changes. Coming from someone of a conservative bend I am particularly interested to hear how the Hon. Member justifies, when there is no loss of earnings, the drawing of sickness or maternity benefits even when a labour dispute is taking place at that employee's place of employment, and thus there is no interruption of earnings. That may be a valid and a very proper social program, but I would like to hear from that particular Member of the Conservative caucus, or in the future perhaps any other Member, as to what their rationale is for that, and whether they think those provisions are going to survive the first labour dispute under federal jurisdiction that takes place after these proposals are hopefully implemented.

Mr. Malone: Mr. Speaker, I just want to say to the Hon. Member for Kootenay West—Revelstoke (Mr. Kristiansen), that I do not find any particular amount of humour in him playing around with the notion of the dinosaur museum, or the museum of palaeontology. I know there have been expressions in the past about the dinosaur disappearing, and all of the other expressions that go with that. This is one of Canada's finest exhibits. This is one of Canada's most proud tourist attractions. Within a very few years, perhaps as short a time as three to five years, it will be the second largest attraction of tourists in Alberta, next to that of Banff National Park. I submit that we should see it as Canadians with a sense of pride. It is not a matter for tongue-in-cheek remarks. It is a very fine Canadian exhibit.

• (1240)

I wish now to deal with the question concerning unemployment insurance and the changes that have been made and which were announced by the Minister a couple of days ago. I cannot think of anything that would give me more pride, and I believe Canadian workers more of a sense of stability, than to have the realization that workers and employers jointly through the efforts of the Unemployment Insurance Program will be taking at least some of those funds to put Canadians into a position of retraining. In this way they will have the skills and abilities to do what they want to do, that is, to be employed and to retain their dignity through being able to work.

Only a socialist would think that once one has lost his job it becomes the duty of the Government to pay that person to stay off the job. It is our view and intention to put those people into the position where, because of their capacity to work from the training they will have received, they will have the dignity to go back and to be employed meaningfully as they ought to be.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Burnaby—Kingsway.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it is indeed an honour and a privilege to be able to participate once again in the debate on the Address in Reply to the Speech from the Throne. I will have had the honour of serving as a Member of this House for 10 years in the coming month of May. I was first elected in May of 1979.

I want to take this opportunity to thank my constituents in the new constituency that I represent, the new constituency of Burnaby—Kingsway, for their solid support in the most recent federal election. It is a new constituency. I want to say particularly to those who live in the newer parts of my riding, the North Burnaby part of the constituency and in the City of Vancouver itself, that I will certainly do whatever I can to work hard on their behalf, to stay in touch with them, to communicate with them and to remain accountable to them.

As well, I want to say that certainly I know that my colleague from Kootenay was not implying that the Hon. Member for Crowfoot (Mr. Malone) did not represent with eloquence and distinction the dinosaur perspective from his constituency. I know he certainly did not intend to suggest that.

[*Translation*]

Mr. Speaker, I also want to congratulate the Speaker of the House and yourself as the Deputy Speaker for your re-election at such prominent and distinguished positions in our Parliament.

The fact that the NDP was unable to elect one single Member in the province of Quebec was, as far as I am concerned, a major disappointment in the last election. Having personally worked very hard to convince the people in that province to trust us, I was saddened by the results. We will, of course, continue our work in Quebec, but I did feel very disappointed. We will have to step up our efforts in order to get the respect and support we need from the people of Quebec.

I know that we had excellent candidates and that those people will keep on working in Quebec. I am sure that they will succeed in the next election and that we will finally have New Democrat Members from the province of Quebec.

[*English*]

Responding in the brief time that is available to me to the Speech from the Throne, I want to place my remarks in the context of the concerns of my constituents, the fundamental concerns that have been raised by them, whether it be in the area of jobs and job creation, of post-secondary education, of peace and disarmament, of environmental protection on other concerns, including equality for women and minorities. I want also to speak briefly from my perspective as spokesperson for my Party on justice and human rights.

[*Translation*]

But first of all, Mr. Speaker, I must object to the cruel and unfair cuts to the Canadian unemployment insurance system.

Mr. Speaker, during the election campaign, Conservative candidates never said a word about their intention to cut unemployment insurance benefits. The province of Quebec will be hard hit by the bill the Conservative government will introduce. This new bill will put more pressure on the welfare system, and as a result of course local taxes will be raised.

We were told how important training is. It certainly is. However, Mr. Speaker, let's not forget that in Canada, for example, the employers contribution to professional training in 1987 was only $1.5 billion while in the U.S. American companies contribute $80 billion every year to this end. In Canada, three out of four companies offer no training at all.

So, you see, Mr. Speaker, it is the responsibility of larger Canadian companies to spend more money for training. However, their friends in the Conservative government have decided, instead of asking them to pay the cost of training, to charge it to the Canadian workers. That decision, Mr. Speaker, is unfair and unacceptable. What do you think will be, Mr. Speaker, the effects of such a decision in the more deprived areas of Quebec—for example, in Saguenay—Lac-Saint-Jean and the Mauricie, where the unemployment level is over 12 per cent? Workers will have to work three more weeks before being eligible to receive unemployment insurance benefits for a shorter period of time of eight or nine weeks. There is no doubt in my mind, Mr. Speaker, that this is totally unfair.

Mr. Speaker, it is very clear, I believe, that these cuts in the unemployment insurance program really represent a subtle attempt to harmonize with the American unemployment insurance system as part of the Canada—U.S. Free Trade Agreement.

For example, in the United States, the eligibility criteria for the unemployment insurance program are approximately the same as those our Government is now proposing. So it is very clear that the Conservative Government is cutting benefits for Canadian workers along the lines of the Free Trade Agreement and for us in the NDP, that is totally unacceptable.

Mr. Speaker, at the same time, the Conservative Government talks about eliminating or suggests the possibility of eliminating passenger rail service—VIA Rail. Mr. Speaker, obviously about 90 per cent of Quebecers are against this proposal of the Conservative Government. If the Conservative Government wants to cut, Mr. Speaker, it would be better to cut the crazy program to buy nuclear submarines. Mr. Speaker, it would be much more important to give priority to improving rail service in Canada instead of trying to eliminate it.

[*English*]

During the last federal election the Conservatives were silent on cuts to unemployment insurance. We did not hear anything from them at that time. They were silent on cut-backs to VIA Rail. They said nothing about tax increases.

We all remember the Hon. Member for St. John's West (Mr. Crosbie) when he said in one of his moments of candour for which he is so well known: "Mr. Speaker, we cannot tell the people of Canada what we do as a Government because if we did they would never vote for us". He is right. What we have seen is that the Government has failed to keep the promises that it made to the people of Canada.

The Speech from the Throne talks of—and I quote now from the speech— "maintaining a caring and compassionate society". What kind of caring, compassionate society is it when the Conservative Government allows an economy in which over one million children live in poverty? What kind of caring and compassionate society is it when the Government knows that the line-ups at the food banks are getting longer, that the

number of the homeless is getting greater and that the number of hungry children is increasing? At the same time we have the obscenity of the great disparities in wealth and income in our country. Just last week *The Financial Post* reported under the headline "Pay Bulges for Top Earners" the fact that the number of Canadian top executives who earned more than $1 million in fiscal year 1988 has more than doubled over the previous year.

• (1250)

The head of MacMillan Bloedel received total compensation of $625,000 in 1988. Their number two vice-president, Don McLaughlin, received total compensation of over $400,000. The head of Canadian Pacific receives over $1 million a year, at the same time that Canadian Pacific pensioners in too many cases are living below the poverty line. It is that profound disparity between rich and poor which is increasing under this Government.

We know as well the national shame of the treatment of native people in this country. It is tragic that we have a situation in which native young people are on a hunger strike seeking to prevent cut-backs in the post-secondary education program which in fact has been a success in ensuring greater participation of native people in post-secondary education.

I recently returned from Labrador where I met with the Innu who are fighting a battle for the survival of their nation against low-level flights by aircraft which in some cases fly at 100 feet above their traditional hunting and gathering places. These Innu, and those who support them, are being tried as criminals in the courts when in fact the true criminals are those who are responsible for the flights that are destroying their way of life.

We have seen the level of suicides and attempted suicide among the young people, the level of child neglect and abuse, the level of alcoholism and poverty, the level of unemployment. I spoke with one of the young leaders, Peter Penashue, who said that the only hope of the Innu people at this point is to shame the rest of Canada to make them aware of the fact that their nation is being destroyed, that it is under attack. I would hope that the Government would heed that plea and would put an end to the low-level flights.

As Justice critic for the New Democratic Party, I must point out the absence of any reference in the Speech from the Throne to a promise of amendments to the Canadian Human Rights Act, amendments in the area of improving pay equity provisions, equal pay for equal value, amendments to expand prohibitive grounds of discrimination to include sexual orientation and political belief, amendments promised long ago in the area of reasonable accommodation, assisting particularly Canada's religious minorities and the disabled, amendments to assure direct reporting by the commission to Parliament.

In other justice areas there has been no commitment to strengthening freedom of information legislation, no commitment to improving sentencing in Canada, no commitment to taking tough and effective action, no long overdue action on Nazi war criminals, no promise that this Government will not recriminalize abortion and no promise to improve Canada's legal aid system.

The Speech from the Throne is silent on the housing crisis which faces Canadians, particularly which faces the people in British Columbia and in my own community of Burnaby and Vancouver, silent on high interest rates, zero vacancy rates for rental accommodation, incredibly high housing prices which make it impossible for people to get into the housing market. In fact as New Democrats, we say the time is long overdue for tough action, for a tax to eliminate the profits from speculation in housing. We are disappointed that the Government has not acted on that.

In the area of the environment, why has the Government not responded to the call for a public inquiry in the devastating oil spills off the West Coast of Vancouver Island and in Alaska? Why was the Government silent on this most important question?

[*Translation*]

Why the silence on acid rain that is destroying maple trees in the Province of Quebec?

[*English*]

Why the silence on forestry? It is the most important industry in the Province of British Columbia, and yet there is not one word on our vital forest industry. There is no excuse for that failure to act in this important area.

In concluding my remarks on the Speech from the Throne, I want to again condemn the Government for its absence of vision, for its absence of any sense of hope for the future for our young people, indeed for all Canadians and for moving us toward a country which will be

meaner, crueler, which will not respect the environment, which will increase the gap between rich and poor. I fear as well that in the international domain, the Government will cut back on our obligations to those who are poor in other parts of the world, and will cut back on our foreign aid.

I have not spoken much in terms of praise, but I did welcome the decision of the Government to upgrade its contacts with the representatives of the Palestinians in the Middle East, the PLO. I would hope that the Government would continue to push for an international peace conference and would recognize the right of self-determination of the Palestinians.

I wonder who it is that speaks for the Liberal Party on this question? Is it the Member for Mount Royal (Mrs. Finestone) who condemned those contacts?

[*Translation*]

Does the Hon. Member for Saint-Denis (Mr. Prud'homme) support them? Who speaks for the Liberal Party, Mr. Speaker?

[*English*]

In conclusion, once again I want to thank my constituents for the support they have shown to me and assure them that I will speak out on their behalf over the coming years. I will speak out for justice, for peace and disarmament, for full employment, for equality and for a more decent Canada. Thank you, Mr. Speaker.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I listened very carefully to the speech by the Hon. Member for the New Democratic Party, from British-Columbia, and I must admit I was rather surprised by some of the comments he made before the House, especially when he referred to the last election campaign and our Government's promise regarding universality and similar issues.

I wonder whether the Hon. Member misread, because he related these issues to the unemployment insurance reform tabled in the House by the Minister of Employment and Immigration (Mrs. McDougall). He said that the Gouvernment had been less than forthright with Canadian workers. Mr. Speaker, he said the Government was incapable of keeping its promises and was making cuts.

Mr. Speaker, he did not read a single word of what the Minister tabled in the House, and I would like to ask him, since we are now into questions and comments, how he explains the fact that the Government, under the same program, will increase the number of weeks of unemployment insurance benefits from 15 to 30 weeks for mothers and single parents. Why didn't the Member for the New Democratic Party mention that Canadians 65 years old and over will now be able to draw their unemployment insurance benefits which had been cut by the Liberal? Why did the Hon. Member for the New Democratic Party—

Mr. Deputy Speaker: Order! Order! I am very sorry to interrupt the Hon. Member from Champlain (Mr. Champagne), but since it is nearly one o'clock, I will give the Hon. Member for Burnaby (Mr. Robinson) one minute to reply.

Mr. Robinson: Mr. Speaker, I want to thank the Hon. Member for giving me a chance to stress the impact of cuts in unemployment insurance. In Montreal for instance, a person will have to work 16 weeks instead of 10 to be entitled to a minimum of 27 weeks of benefits, as opposed to the current 32 weeks. In Québec City, a person will need 18 weeks of employment instead of 12 for a minimum of 21 weeks of benefits instead of 26.

Mr. Speaker, the Hon. Member referred to increases in benefits, but the truth is that this reform constitutes an attack on Canadian workers and the Canadian unemployed. Why should the unemployed have to pay for training? Why shouldn't the big corporations pay their fair share, Mr. Speaker?

[*English*]

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

At 1.00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*English*]

TRANSPORT

EFFECT OF FREIGHT SUBSIDY CUTS IN PRINCE EDWARD ISLAND

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I wish to express my grave concern over the effect that cuts in freight subsidies provided to shippers in the Atlantic Provinces will have on the economy of Prince Edward Island.

The Atlantic Region Freight Assistance Program is the cornerstone of the transportation policy in Atlantic Canada. Since the program's inception over 60 years ago, it has stood as an effective means of support for Atlantic Canada's fragile industrial base. It is essential to maintain a competitive position in the Canadian market-place for manufacturers and producers in the Atlantic region.

I am also concerned about the possibility that the Feed Freight Assistance Program could be affected by budget cuts.

I hope that the Government's recent review of this program will result not in cuts but in increased benefits to producers in Atlantic Canada. Fiscal restraint cannot and should not be administered at the expense of the fragile economy of the Atlantic Provinces.

* * *

[*Translation*]

RAIL TRANSPORT

IMPORTANCE OF MONTREAL-ABITIBI PASSENGER RAIL SERVICE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, passenger train service from Montreal to cities like Abitibi is vital, and must not be eliminated.

Mr. Speaker, VIA Rail will have to respect the needs of remote areas like ours.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

LOSS OF BENEFITS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, according to the latest monthly labour force survey, the level of unemployment in the Okanagan—Shuswap now exceeds 19.6 per cent. People are out of work not because of a lack of job training but because of a lack of jobs.

The recent proposal of the Minister of Employment and Immigration (Mrs. McDougall) to carve $1.3 billion out of unemployment benefits to finance job training programs will not help the unemployed in the Okanagan—Shuswap where there are precious few jobs to be had.

No one in the House argues with the intrinsic value of job training initiatives. But in many regions of our country we also need a healthy dose of job creation.

By savaging the unemployment insurance benefits the Minister has disqualified thousands of our unemployed from receiving financial assistance. Others will be forced to pay for their own training. Does the Minister not recognize that while taking these training programs our unemployed still have to eat, or does she expect them to eat cake?

* * *

AGRICULTURE

ASSISTANCE FOR BRITISH COLUMBIA POTATO FARMERS

Mr. Stan Wilbee (Delta): Mr. Speaker, I rise today to speak in favour of the British Columbia Vegetable Marketing Commission's application for financial assistance on the 1988 potato crop. Members are certainly aware of the assistance offered for drought stricken crops, but are likely unaware of the disastrous problems cause by flooding in the Fraser Valley of British Columbia, including my riding of Delta. Due to these rains, some 8,000 tonnes of late potatoes were drowned out and never harvested. Eighty per cent of the producing area was affected, impacting negatively on 58 per cent of the provincial crop.

The 1988 floods are another in a series of hardships for these farmers. They have also been hit by years of low prices, and have twice been forced to pursue anti-dumping suits against U.S. producers. Although both of these suits were successful, the legal fees reached $120,000, with no government assistance.

I call on the Department of Agriculture to assist the potato farmers of Delta, as they attempt to recover from this ruinous 1988 crop year.

S.O. 31

AGRICULTURE

CALL FOR REJECTION OF DE GRANDPRÉ COMMISSION'S RECOMMENDATIONS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, let me point out to the House, particularly to the Deputy Prime Minister (Mr. Mazankowski), part-time Minister of Agriculture, that the Canadian Federation of Agriculture has come out strongly against the recommendations of the de Grandpré Commission as it relates to agriculture. In fact, Mr. Don Knoerr, the President of C.F.A. went so far as to say: "If I hadn't appeared before the Council myself I would question whether they had even talked to farmers".

The recommendations for agriculture in this report will not only hurt supply management, it will destroy it.

I ask the Deputy Prime Minister to stand in the House today and reject those recommendations. If he is not prepared to do that, will he please have full consultations with farmers and their organizations before he makes any decision?

The constituents of Haldimand—Norfolk have worked hard for and depend on the stability of supply management. Once rights and freedoms are taken away they are very difficult to get back. My colleagues and I will not stand idly by and see that happen.

* * *

NATIONAL CHILD SAFETY WEEK

Mrs. Louise Feltham (Wildrose): Mr. Speaker, as you know, April 16 to April 22 is a very special week. It is National Child Safety Week in Canada. I can scarcely think of a value more important to any society than the safety of its children, and Canadian society is no exception.

It is my firm belief that the single most important resource of this rich country is our children, for it is they who will be the leaders and the decision-makers of tomorrow. Simply put, our children are our future.

The safety of Canadian children is an issue which concerns us every day of the year. But this week we remind Canadians that we all have a responsibility for our children's safety, a shared responsibility which will not end on April 22. No, each and every Canadian has a vital role to play each day in making Canada a safer place for our children to grow up.

Unfortunately, our children face many serious hazards every day and I implore Canadians everywhere to employ care and common sense—

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

Mrs. Feltham: —in caring for our children.

* * *

POLITICAL PARTIES

ADVERTISING PRACTICES

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I want to draw the attention of the House to a $14,000 advertisement on page A-11 of today's *The Globe and Mail*. This advertisement contains a thoroughly repugnant picture of an infant shackled by a ball and chain. The text below this tasteless picture concerns the need to cut Canada's deficit.

Last November during the federal election campaign this country saw corporate Canada finance the free trade agenda of the Conservative Party through an unprecedented amount of advertising. Now that free trade is an unfortunate fact of Canadian life, it appears that corporate Canada is continuing to act as front men for Conservative policies. While our Parties may disagree on just how the deficit should be addressed, I think all Members would agree that ads such as this are distasteful, inappropriate and unacceptable to all Canadians. I call upon the Government to make this known to its supporters.

* * *

VOLUNTARY ORGANIZATIONS

TRIBUTE TO VOLUNTEERS

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to be able to take this opportunity to recognize the important contributions made by a group of valuable Canadians, namely, volunteers. Volunteers are being honoured across Canada through National Volunteer Week. It is also important for Canadians to use this week as an opportunity to realize just how important the role played by volunteers is to our society.

Each day volunteers make significant differences to the lives of those around them. Many organizations such as the Red Cross, firefighters, Canadian Cancer Society, Big Brothers and Big Sisters, would be unable to offer the same range or quality of services without volunteers.

As the Member of Parliament for Erie, I want to join my fellow Canadians in saying thank you to volunteers, for giving of their time and energy, and for making a difference.

* * *

ROYAL WINNIPEG BALLET

TRIBUTE TO CO-FOUNDER BETTY FARRALLY AND ARTISTIC DIRECTOR HENNY JURIENS

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, The Royal Winnipeg Ballet is in mourning following the loss this week of both its co-founder, Betty Farrally and its popular artistic director, Henny Juriens. On behalf of my colleagues and all Canadians who have enjoyed the Royal Winnipeg Ballet, I wish to express our sadness and sympathy to the families and friends of both these great contributors to Canadian culture. Fifty years ago, Betty Farrally co-founded a dance studio. The Royal Winnipeg Ballet evolved from the performance club established for its best students. Today, it is a company that all Winnipegers and indeed all Canadians take great pride in. We were all saddened to learn of the death of this great cultural pioneer.

• (1410)

Henny Jurriens and his wife Judy died tragically Sunday. Mr. Jurriens is remembered as an enthusiastic and popular member of the troupe. Both Betty Farrally and Henny Jurriens will be sorely missed by Canada's cultural community. Their contributions will long be remembered.

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[*Translation*]

VOLUNTARY ORGANIZATIONS

TRIBUTE TO CANADIAN VOLUNTEERS

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, April 17th will mark the beginning of a special week honouring Canadian volunteers who so generously participate in social and community activities, and particularly in recreation, cultural, sport and service programs offered to the needy.

We don't always know the names of these volunteers, but we do know about the unlimited generosity and tireless efforts they put in their work. Unfortunately, we often ignore the expenses these people incur for the association and community they serve!

If the municipal, provincial or even federal governments were to pay the salaries and expenses of all the volunteers, they would be faced, I think, with costs beyond belief.

I for one would like the various government levels to be more sensitive to the financial needs of volunteer organizations.

In conclusion, I wish to express my gratitude to all the volunteers in the 52 cities and municipalities of my beloved constituency of Richmond-Wolfe.

* * *

[*English*]

VIA RAIL

SUPPORT FOR UPGRADING OF SERVICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, there are precious few issues on which 89 per cent of Canadians agree, yet Gallup informs us that 89 per cent of us from every region of Canada want VIA Rail retained and upgraded. Given the tools to do the job, VIA could increase its service and ridership dramatically, yet the Tories have consistently sabotaged efforts VIA has made to improve itself as part of the Government's agenda eventually to destroy VIA Rail completely.

At this moment, the final assault is being led by Erik Neilsen, the Tory who has always called for VIA's end, as he holds hearings in an effort to mobilize popular opinion against VIA Rail. The Government and Mr. Neilsen have failed. Eighty-nine per cent of Canadians disagree with this Tory agenda item. They feel betrayed since, during the election campaign, the Tories said they would expand VIA. Now they are in the process of destroying it.

The Government should listen to the people, keep its promise, live up to its word and keep VIA Rail. If the Government must cut, may I suggest that it cut Mr. Neilsen.

* * *

UNEMPLOYMENT INSURANCE

SUPPORT FOR CHANGES TO PROGRAM

Mr. Bill Attewell (Markham): Mr. Speaker, earlier this week, the Minister of Employment and Immigration (Mrs. McDougall) announced the Government's progressive new labour force development strategy and improvements to the unemployment insurance program which currently costs over $13 billion a year. The focus of the unemployment insurance program will shift from passive income support to a more constructive and active

involvement in the labour market. More generous UI benefits for new parents and workers over 65 years of age were announced.

However, there will be an increase in the penalties for workers who quit without just cause, refuse a suitable job or are fired for misconduct. Penalties for fraudulent use of the UI program for workers and/or employers will be significantly increased.

I applaud the Minister. The proposed changes will help all Canadians cope better with the changing workplace of the 1990s and beyond while maintaining a caring and compassionate approach for those who are truly in need.

* * *

FISHERIES

RESTRICTIONS ON P.E.I. SNOW CRAB FISHERMEN

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the 1989 snow crab management plan for the Gulf of St. Lawrence announced by departmental officials last week is grossly unfair. Under the plan, the P.E.I. snow crab fishermen are limited to set 30 traps in a small zone where stocks have been depleted and are greatly at risk. New Brunswick and Québec fishermen are allowed to set five times as many traps and their mobility is not restricted.

The plan calls for elimination of the fall season which will spell disaster for fishermen, fish plant workers and entire fishery communities in my riding. To add insult to injury, for the fourth year in a row, 14 permit holders are left without permanent licenses. I say to the Minister that the time is up. Give Prince Edward Island fishermen a fair deal now.

* * *

CANADIAN PACIFIC RAILWAY

FUTURE OF HOTEL MACDONALD IN EDMONTON

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, I wish to draw to the attention of the House the plight of the historical Hotel Macdonald in downtown Edmonton. This is a fine structure that has stood since 1915. It is a vintage historical landmark and was designated as such in 1985 after having sat idle for two years, having been phased out by the CN hotel chain. Since that time, it has been acquired by Canadian Pacific and is still awaiting restoration.

CP has recently announced a $500 million restoration program for its hotel properties not including the Hotel Macdonald. I call upon Canadian Pacific to either restore Hotel Macdonald and remove the eyesore from the heart of Edmonton or sell it to someone who will.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

ELECTION CAMPAIGN STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister (Mr. Mulroney). On October 13, 1988, in the middle of the election campaign, the Prime Minister and the Minister for International Trade (Mr. Crosbie) appeared at what was a major Conservative election rally at the Hotel Newfoundland. My question is about what the Minister for International Trade said at that event. I want to quote from the St. John's *Evening Telegram*:

> The federal Government has no plans to make changes to the unemployment insurance program, Trade Minister John Crosbie said. "It's complete nonsense," he replied to questioning by reporters.

Then the reporters asked the Minister whether he had checked this with the Prime Minister, and the answer was:

> "You're damn right I asked him (the Prime Minister) about it and he said no. No one is planning any changes in the unemployment insurance program. There hasn't been any change proposed to us since we dealt with the Forget Commission. We're not contemplating any changes," Mr. Crosbie said adamantly.

To put it bluntly, either the Prime Minister did not tell the truth to the Minister for International Trade, or the Minister for International Trade did not tell the truth to Canadians in the midst of the election campaign. I want to ask the Prime Minister who is telling the truth in this particular instance.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this is a Member who is very good at changing his own tune, because I will tell you what he said.

Some Hon. Members: Oh, oh!

Mrs. McDougall: On Tuesday, July 24, 1984—

Some Hon. Members: Answer the question!

Mrs. McDougall: You do not want to hear it, do you? This is what the Right Hon. Leader of the Opposition said when he was the Prime Minister of Canada in July, 1984. He said:

> Yes, we must sustain our unemployment insurance systems. It must be converted somewhat to a training and a retraining system.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I went on to say that never should those funds be taken out of the pockets of the unemployed. They should be paid for by the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I notice that neither the Prime Minister nor the Minister for International Trade had the guts to respond to that particular question.

Mr. Speaker: I am sure the Hon. Member can put his question in appropriate language.

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the headline in the St. John's, Nfld. newspaper during the election campaign was:

> Change unemployment insurance? "No way," says Crosbie.

The Minister for International Trade told the Canadian public that he had asked the Prime Minister whether there would be changes to the unemployment insurance program and that the Prime Minister had answered him that there would be none.

If the Minister believed that he was telling the truth, then he was misled by the Prime Minister himself. I would like the Prime Minister to tell us whether he misled the Minister or whether it was the Minister who misled the Canadian public.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the program that we announced provides $15 million more for the Province of Newfoundland.

• (1420)

[*English*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): It is unacceptable when a quotation like this is read in the House of Commons to the Prime Minister and the Minister for International Trade, both of them present at that meeting—I doubt whether the Minister of Employment and Immigration was there—and neither of them deigns to stand up and reply to this particular quotation.

Some Hon. Members: Hear, hear!

An Hon. Member: That is out of order.

Mr. Speaker: I remind Hon. Members that there is no obligation on any Minister to answer.

An Hon. Member: We know that.

Mr. Speaker: I am reminding Hon. Members of what the rule is. Comments along that line are very close to being out of order. The right hon. gentleman may put his question.

Mr. Turner (Vancouver Quadra): It is not often we hear in this House about a $1.3 billion falsehood.

An Hon. Member: That is right.

Mr. Turner (Vancouver Quadra): Yesterday the Minister of Employment and Immigration was asked why the Government did not tell the truth during the election campaign. This is what she said to the House: "We were somewhat pre-occupied during the fall in terms of the kind of attention we were paying to ongoing issues". Too preoccupied to tell the truth!

My question is directed to the Prime Minister. When is he going to admit candidly that his Government lied to Canadians during the last election?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, because the Hon. Member cannot find any substance in this policy that is not in the interests of Canadians, he is becoming singularly abusive.

Some Hon. Members: Hear, hear!

[*Translation*]

CHANGES TO UNEMPLOYMENT INSURANCE SYSTEM—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, it is sad that the silence of the Prime Minister and the Minister involved prove beyond any doubt that working people were misled during the last election campaign.

I will give our national "Charlie Brown" a chance to correct himself.

My question is for the Right Hon. the Prime Minister. Following the statement by the Minister for International Trade that mentions beyond any doubt that he consulted you and that the people could be reassured that nothing would be changed in the unemployment insurance program to penalize them, why— Can the Prime Minister answer this question?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it improves the unemployment insurance program for Quebecers, among other Canadians. It is time that this Hon. Member admitted it.

CUTS IN BENEFITS—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my supplementary question is for the Minister of Employment and Immigration, since the Prime Minister, by keeping silent, admits that he misled the people. The Minister of Employment and Immigration and the Minister of State are trying to convince the Canadian people that the only ones to be penalized are dishonest workers who cheat unemployment insurance.

Can the Minister explain to us why a man or woman in Quebec City who has worked for 30 years and paid unemployment insurance premiums will have 9 weeks of benefits or $3,267 cut off with her new program?

[*English*]

Why are the workers of Hamilton, St. Catharines and Windsor losing ten weeks of benefits, or $3,000?

Hon. Barbara McDougall (Minister of Employment and Immigration): The Hon. Member is ignoring that there is a value in training for the people of Québec and other Canadians. Yes, we have changed some things within the unemployment insurance system just as that Government did when it went from a flat entry of eight weeks to a variable entry of 10 to 14 weeks. There is nothing different in what we today from what they did then, except we provide benefits for all Canadians.

Some Hon. Members: Hear, hear!

FREE TRADE AGREEMENT—PROPOSED CHANGES IN UNEMPLOYMENT INSURANCE REGULATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. During the election campaign and Leaders' debate in the fall, I suggested to the Prime Minister the trade deal would jeopardize existing levels of Canada's regional development and social policies. The Prime Minister at that time denied the argument, but he went on to say: "The problem is not in the text. It is somewhere down the road".

The Prime Minister knows the proposed changes in the unemployment insurance regulations raised from 4 per cent to 6 per cent the level at which regional benefits can click in. Will the Prime Minister admit this move from 4 per cent to 6 per cent is not accidental, because 6 per cent is precisely the level that exists in the United States?

Will he also acknowledge that the harmonization of Canadian social programs down to the level of the United States has already started?

Some Hon. Members: Hear, hear!

An Hon. Member: Let Barbara answer.

An Hon. Member: Does he speak?

Right Hon. Brian Mulroney (Prime Minister): I am having trouble following the Leader of the NDP. Today he is being critical of things in the United States. A few days ago he was encouraging us to support Ronald Reagan and his tax policies.

The changes announced are designed to—

Some Hon. Members: Harmonize.

Mr. Mulroney: I will be happy to try and answer.

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, they are designed to contribute to something I know offends socialist ears—the creation of new wealth and new jobs for Canadians.

Some Hon. Members: Hear, hear!

Mr. Mulroney: from September of 1984 until March of this year, unemployment went down from 11.6 per cent to 7.5 per cent. One million, four hundred thousand new jobs have been created for Canadians from one part of the country to the other. That is what we were elected to do. That is exactly what we will continue to do.

Some Hon. Members: Hear, hear!

SOCIAL PROGRAMS—PRIME MINISTER'S STATEMENT DURING ELECTION CAMPAIGN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, when the Prime Minister has an indefensible case, he answers a question that was not answered—he answers one that was not asked.

Some Hon. Members: Oh, oh!

Mr. Broadbent: The Prime Minister is smiling. The Prime Minister promised Canadian workers that social programs would not be affected. It is the Prime Minister who has betrayed those social programs since the election. That is the case.

My question is directed to the Prime Minister. Does he stand behind what he said in the election campaign that social programs would not be affected? If that is the case, can the Prime Minister tell the people of Canada how we have changed the click-in point for regional unemployment insurance benefits to coincide with the United States? The Government has betrayed Canadian workers, and the Prime Minister should admit it.

Hon. Barbara McDougall (Minister of Employment and Immigration): I do not think that providing jobs and better benefits for Canadian workers is a fundamental violation of social programs. It is making them better. It is a made-in-Canada policy. It recognizes regional disparities. The Member is caught in the old socialist ways, and the *status quo* does not work. That is why we are here and not you.

Some Hon. Members: Hear, hear!

• (1430)

DURATION OF BENEFIT PAYMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, nothing so discredited the Government, after the election of 1984, as the experience of Canadians who found that, in 1984, the Government said one thing and did another thing. The Government is doing exactly the same thing this time.

I will ask the Prime Minister, who seems indifferent both to Canadian workers and the promises that he made, or the Minister, to deal with the following. Not only has the regional rate changed at which benefits click in to coincide with the United States, but also the duration for which Canadians can claim benefits coincidentally has moved downward to the U.S. level.

For example, will the Minister acknowledge that a Canadian worker from Vancouver Island who, prior to the announced changes worked for 20 weeks, was eligible for 50 weeks of benefits and is now eligible for only 39 weeks? Coincidence of coincidence, that is the same as Washington State.

Is that or is it not harmonization?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, perhaps the Hon. Member does not recognize that the United States does not have a national system, and that we do have a national system. We have recognized regional realities in Canada historically. We have continued to do it in this program.

I might point out that the average duration that unemployment insurance is claimed is 22 weeks. We intend to get people back into jobs faster and into training programs faster in order that they can have the jobs of tomorrow. That is a Canadian policy, and it will continue to be a Canadian policy.

STATEMENT ATTRIBUTED TO MINISTER FOR INTERNATIONAL TRADE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Prime Minister. I want to return to the matter raised by the Leader of the Opposition earlier today. This question can only be answered by the Prime Minister, because it concerns an important matter of credibility in the Government.

Did the Minister for International Trade ask the Prime Minister to confirm that there would be no changes in the unemployment insurance system before October 14? Did he tell the Minister that there would be no such changes to the effect that "Mr. Crosbie said he asked the Prime Minister about the report and he said no, the Government has no plans to change the plan. No one is planning any changes in the unemployment insurance program."

I ask the Prime Minister, was he approached in this manner by the Minister for International Trade? Did he give that answer to the Minister?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the statement that I made—

Mr. Gauthier: Who is he answering for? Who are you answering for, the Prime Minister?

Some Hon. Members: Order.

Mr. Charest: What are you complaining about?

Mr. Crosbie: I am answering for myself and for the Government, Mr. Speaker, in reply to a question asked by the hon. gentleman opposite.

The statement that I made on October 13 in reply to the suggestion that UI benefits were about to be cut, which was a suggestion that the opposition Leaders were making in the usual unscrupulous manner at that time, was absolutely correct. Those statements were complete nonsense. UI benefits were not about to be cut.

At the present time those benefits have not been cut, because over-all there are positive changes involving increases in benefits, as well as some changes in benefits in Newfoundland, as well as in Canada.

There was nothing planned at that time because the Minister of Employment and Immigration never produced any plans for these suggested changes until after the new year some time in February, and certainly not last October.

My statements are absolutely correct. They were in response to devious falsehoods being put about at that time by the opposition Leader.

REPORT OF QUERY DIRECTED TO PRIME MINISTER

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Minister is making the situation worse. The credibility of the Government is becoming even lower than it has been at any time before.

The Minister very clearly stated that it is complete nonsense. He asked the Prime Minister about the report, and he said: "No, the Government has no plans to make changes. You're damned right I asked the Prime Minister about it and he said no, no one is planning any changes in the unemployment insurance program".

I again ask the Prime Minister, was he approached by the Minister for International Trade? Did he give that answer to the Minister? If so, how can he justify these cruel changes today?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, everything that I said on October 13 was correct. It remains correct today. It will be correct tomorrow. It will be correct in five-years time.

As to whether or not I approached the Prime Minister, I am not going to inform the hon. gentleman when and how often I approach the Prime Minister, but it is a lot more often than he approaches the Leader of the Opposition.

TRAINING NEEDS OF WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Nowhere in her announcement on Tuesday did the Minister mention the particular training needs of women, especially sole-support parents who are under-paid, under-educated, and often dependent on social benefits to provide for their families.

Even as the Minister spoke in the House, programs out there helping those women get training and jobs are being cut.

Why has the Minister failed to address the particular training needs of women properly, especially women with dependent children? What does the Minister intend to do to satisfy these training needs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, one of the things that we have done as a Government, ever since we announced the Canadian Jobs Strategy in 1985, is take into account the particular needs of women. We are doing that with this program. Women will be the chief beneficiaries. They are the ones who need the training and who can take advantage of this training. While they do that, they will be provided with income support, with training support, with child care, and with transportation allowances. They will be the ones who will benefit from this.

Raise your sights!

REQUEST THAT WOMEN HAVE EQUAL ACCESS TO TRAINING

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, after four years of the Canadian Jobs Strategy, 5.5 million Canadian women earn under $15,000 a year. Women earn only 66 cents for every dollar that men earn.

This week the House learned that the private sector is not giving women an equal chance at jobs. Now the Minister wants to take away women's benefits. She wants to give them to the private sector, and she wants to trust the private sector to provide training for women.

Why is there no guarantee from the Government that women will have equal access to training and to good jobs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the guarantee from this Government is that women have continued to be better off under this Government than they were in the past.

Mr. Allmand: Baloney, Barbara!

Mrs. McDougall: The parental benefits and the paternity benefits that we put into this program are specifically designed for women. The programs that are there will ensure that the business community gives women a chance to have their jobs and continue their jobs after

they have borne children. It will ensure that they provide training for women, just as we do under the Canadian Jobs Strategy, where we have particular targets for targets that they are taking advantage of.

I have visited the training programs for women across the country and they are working well.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF LEADER OF THE OFFICIAL OPPOSITION OF BRITISH COLUMBIA

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. Michael Harcourt, Leader of the Official Opposition in the Province of British Columbia.

Some Hon. Members: Hear, hear!

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GENERAL AGREEMENT ON TARIFFS AND TRADE

BRITISH COLUMBIA FISHERY – PROCESSING OF FISH IN CANADA

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is addressed to the Minister for International Trade. The fishing industry in British Columbia is concerned, as all Canadians should be, at the prospect of losing our right to process Canadian salmon and herring in Canada. With regard to ongoing negotiations with the United States, will the Minister assure the House that his Government will reject the so-called Murphy 2 proposal which would allow the Americans to purchase fish directly from B.C. vessels without a Canadian landing requirement?

• (1440)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Minister of Fisheries and I have been engaged for a number of months now in dealing with the situation cited by the Hon. Member.

A GATT panel found that the present regulations, soon to be revoked, prohibiting any export of certain kinds of salmon from British Columbia, were contrary to the GATT rules. We accepted the GATT panel report.

We have put an alternate plan before the American authorities, one which we believe to be GATT consistent, involving a landing requirement in British Columbia. That is the plan that we are going with. We do not propose to change it. In our view, and according to the experts who advise us, it is a GATT-consistent landing requirement necessary to ensure proper management of the B.C. salmon resource. That is the plan with which we will be proceeding.

LANDINGS OF SALMON AND HERRING

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my supplementary question is addressed to the same Minister.

He mentioned salmon but not herring. There is some concern about herring as well. With respect to both, the previous Minister for International Trade said on March 21 in this House that salmon and herring caught off the Pacific Coast will be landed in Canada in order to ensure accurate catch reporting, inspection, grading, and quality control.

Will the Minister assure us at this time that his Government will not sell the B.C. fishing industry down the free trade deal river as it did with B.C. grape growers?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is surprising to see rhetoric take away the common sense of the hon. gentleman. I proceed on the assumption that he has common sense, since he is a lawyer.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It is a large assumption.

Mr. Stupich: That is an insult.

Some Hon. Members: Oh, oh!

Mr. Speaker: Some things are indefensible.

Mr. Crosbie: His honour will know what is indefensible being a lawyer himself.

The position is that the GATT panel finding was that the regulations with respect to both B.C. salmon and herring were inconsistent and violated the GATT rules. Therefore the regulations as they apply to herring are also inconsistent with the GATT.

In due course we will be proposing other options with respect to herring. It is our intention to deal with that matter. However, it has to be dealt with under a different plan than with respect to B.C. salmon, the landing requirement, and the manner in which it is being proposed at the moment.

Oral Question Period

ENVIRONMENTAL AFFAIRS

OIL SPILL IN VANCOUVER HARBOUR

Mr. Stan Wilbee (Delta): Mr. Speaker, my question is for the Minister of the Environment. British Columbia Members are very concerned about the repeated oil spills off the West Coast of Canada. We heard again this morning that there was another oil spill on the West Coast, this time right in Vancouver Harbour.

What is the Government doing to clean up this latest oil spill on the West Coast?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, an oil spill of 1,800 litres of fuel oil took place two days ago in the Vancouver Harbour. By yesterday at 5.17 p.m. the clean-up was completed. A summons will be served to the the ship which is called the *Lok Pratima*. We should have news about the summons in a few days.

I must add that I will be in Vancouver tomorrow—

Some Hon. Members: Oh, oh!

Mr. Bouchard: —to meet representatives of the petitioners who are asking for an inquiry about the condition of maritime traffic off the West Coast of Canada. I will be listening to them.

I can tell the House that the review we have undertaken in my Department will include an element of public input. I will have more news for the House later on.

Some Hon. Members: Hear, hear!

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SCIENCE AND TECHNOLOGY

CONNAUGHT LABORATORIES – POSSIBLE PASSAGE OF CONTROL TO FRENCH GOVERNMENT

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of State for Science and Technology. Connaught Laboratories is Canada's leading biotechnological firm. It produces medicines such as insulin and the Salk vaccine.

In a deal concluded on March 12 control of this leading Canadian company will pass from Canadian hands into the hands of the Government of France. Will the Minister tell us what steps he has taken to keep control of Connaught in Canada?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, under the Investment Canada Act this transaction would have to receive my approval. As of today we have not yet received notice from Connaught or Institut Merieux in respect of this issue. If and when it is brought before Investment Canada, a strict test of it being of net benefit to Canada will be applied.

REQUEST THAT MINISTER INTERVENE

Mr. Jim Peterson (Willowdale): Mr. Speaker, since the Tory Government gutted FIRA and created Investment Canada in July, 1985, there have been 606 takeover applications by foreigners. Every one of them has been approved. So much for Investment Canada.

Looking at this specific deal there are no conditions contained in it to protect Canadian jobs, to protect Canadian research and development, to insure Canadians exports, or to protect the special relationship of Connaught with the University of Toronto. Will the Minister intervene to protect Canada's interests? Will the Minister please put Canada first?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, over the period of time that Investment Canada has been in existence 1,400,000 new jobs have been generated for Canadians.

Some Hon. Members: Hear, hear!

Mr. Andre: Many of them have helped to make the Hon. Member's brother look good as Premier of Ontario.

The reality is that in fact Canada has been attracting investment from all over the world. In spite of that Canadians still invest more outside Canada than foreigners are investing in Canada. The proportion of ownership in Canadian shares *vis-à-vis* the United States, for example, has been increasing. The picture the Hon. Member has portrayed is not accurate.

I reiterate what I said in answer to his first question. The net benefit to Canada test will be strictly applied.

ENERGY

HIBERNIA OIL FIELD DEVELOPMENT—DATE OF CONCLUDING BINDING AGREEMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is addressed to the Deputy Prime Minister. Last July 18 regarding the Hibernia project he said that a binding agreement, and I quote, "would be implemented as expeditiously as possible, but in any event no later than March 31, 1989. It is anticipated that it will be done much sooner than that, since most of the hurdles have been overcome".

Last July, the Deputy Prime Minister did not hesitate about giving us a date when we would have a binding agreement. The only problem was the date was not correct. Will he now try again to give us another date as to when we can expect to have a binding agreement?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I have answered this question before. The hon. gentleman can read it in the record.

Let me give him the salient points again. He knows that there were three issues. The first was in terms of the legal requirements. The second concerns the testing of financial markets. The third concerns the best industrial benefits with the best modern technology. I think I mentioned that yesterday in the House. That has not changed 24 hours later. That is what we are working on.

When we have a binding agreement I will obviously announce it in the House. I will not give him a specific date. All the parties, namely, the Government of Newfoundland, the Government of Canada, and the sponsors of the consortium are all working toward that goal.

REQUEST FOR GOVERNMENT ASSURANCE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Minister of Energy gives us information but he fails to tell us exactly when we can expect this binding agreement. The Minister for International Trade said on July 19 that they will all be legally bound by the end of March, referring to the companies involved, and: "In the meantime, we are morally bound. We are completely bound".

If the Government is bound, surely it can tell us when the people of Newfoundland can expect a binding agreement to secure this very important project. Or is this just another assurance similar to the assurance the Minister for International Trade gave on unemployment insurance?

• (1450)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the Hon. Member that his Party did not approve the Atlantic Accord. It is the Atlantic Accord, the underpinning of Hibernia, which gives possibility to Hibernia's completion.

Secondly, during the election campaign the hon. gentleman's Party said that Hibernia would not be followed through by this Government after the election. Wrong again.

Lastly, what I am saying to the Member is this. He is a lawyer and I am not, and that might be an advantage, but I will not say for whom. I will say to him that until the legally binding agreements are completed, until we have tested the financial market and until we have the best deal, both for the consortium, for the Government and people of Newfoundland and for Canada, then we will sign it in order that we can have additional Hibernias.

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ENERGY

ENERGY ALTERNATIVE PROGRAMS—TERMINATION OF POSITIONS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, another question for the Minister of the Environment. The Government pledged in the Throne Speech that it will ensure that "environmental issues are fully considered in the course of its decision making". There are now some 300 people working in energy alternatives programs in the Department of Energy, Mines and Resources. Over the last couple of weeks, since the Throne Speech, notices have been given to about 110 of them—that is one in every three—that their positions will be terminated.

My question to the Minister is this. What full consideration of environmental issues was undertaken before these termination notices were sent out?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member says there will be cuts in the Department of Energy, Mines and Resources. The answer is, yes, there will be. It goes back to 1985. I appreciate that he would not have known that, but some of his colleagues could have told him. In 1985, there was a MYOP, a Multi-Year Operational Plan ending in 1991 in which there were going to be reductions. Additionally I say this to the Hon. Member—I am sure the Party would have these clippings—if he goes back to the clippings of January 5 in this community, he will find that this issue was raised and aired at that time, and we repeated the 1985 decisions. So what I say to him

is that we are going to move away, as we have since 1985, from a disastrous National Energy Program which people in his province were also against.

ALTERNATIVE ENERGY DEVELOPMENT

Mr. Ross Harvey (Edmonton East): I have a supplementary, Mr. Speaker. I assume the Environment Minister is pleased that there is now in this House a Member from Alberta who takes alternative energies seriously. I would ask the Minister of Energy, Mines and Resources then—is that all there is? I mean, are we content that we have done the development necessary in energy alternatives? There is nothing more to be done; is that what he is saying?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, what I am content with is that the National Energy Program is finally being killed and put to bed and dead.

The second point I say to him is this. The program was based on a lot of wind technology, in case the Hon. Member missed that at all. There was obviously other technology as well.

So what I am saying to him is that where before we were funding programs—for instance solar panels which were great for heating swimming pools, and I do not know how many Hon. Members opposite in that Party had that problem, we are moving away from that program. What we will do is continue research and development on the warming effect and on CO2 emissions. That work will continue, but I am not going to fund solar panels for swimming pools any more.

BRANCH STAFFING CUTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is to the Prime Minister and I would like to think that the Prime Minister actually takes the issue of the environment seriously since it is obvious that his Minister of Energy does not. I would like to ask him how he can justify his statement. He calls it in the Throne Speech the environmental imperative. He says it is going to get the top priority. We now know as a result of a copyright story in *The Winnipeg Free Press* that in fact one-third of the Energy Department that is working on alternative energies is going to be laid off.

Will the Prime Minister give us today a commitment in the House that he will reverse those cuts and he will return to full capacity those in the Department of Energy who are working on the most critical area of alternative energies, or is his commitment to the environment merely bunk and window dressing?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Opposition makes the classical error that if you spend more money and have more PYs, that somehow you are going to do more for the environment, and that does not follow. She refers to a copyrighted story of today. I remind her of the stories of two or three months ago.

So what I am saying is simply this. We will continue on research and development, on alternate energy sources. We will continue working with industry and other provinces in order that we can industrialize some of the technologies that have developed, but I will not fund programs which incorporated this great idea developed by that Party that the more money spent by government and the greater the National Energy Program, that somehow you are doing something for the environment. In fact if she looks, she will find that as the federal Government spent more and more money in the NEP, during the time when you were in office, how come emissions in fact went up rather than down?

[*Translation*]

CUTS IN ENVIRONMENTAL RESEARCH PROGRAMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to direct my supplementary question to the Minister of the Environment, the same man who spoke with the Prime Minister this morning. I know, or I think, that he made a certain promise about the environment. He told us that as the leading Minister, he could deny cutbacks or programs established by other Ministers. I would like to ask him whether he is ready today to cancel the cutbacks in environmental research that were just announced by the Minister of Energy, Mines and Resources and whether, together with the Prime Minister, he will show the Canadian people that his statements on the environment are worth at least the paper they are written on.

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Minister of the Environment, the Minister of Energy and members of this Government are fully in agreement with the points that the Minister of the Environment made, namely, that we would have full programs within the Department of Environment, and ancillary programs in other Departments, including my own, respecting the environment, but what we have to do, as I have said in terms of these reductions, is to fund research and development. We will fund the application of that research and development in order that emissions can be reduced. We will actively pursue international agreements as the Prime Minister and the Secretary of External Affairs have done. That will be the condition by which we will proceed. We will not simply say that because there was a National Energy Program, because there were PYs, because there was all kinds of money spent, that the environment was not being protected. There is the fault of the former administration. There is the fault of their blinded approach. That is, by spending more public money, somehow the environment—

Some Hon. Members: Hear, hear!

* * *

HEALTH

AIDS DISEASE—COMPOSITION OF NATIONAL ADVISORY COMMITTEE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the Minister of National Health and Welfare. Let me take this opportunity to congratulate him on his new responsibilities and to wish him well in those new endeavours.

As the Minister knows, 2,500 Canadians have been diagnosed to have AIDS. Of those, 1,400 have died. That, coupled with the resignation of Dr. Gilmour as the Chairman of the National Advisory Committee on AIDS, has caused a great deal of anguish and uncertainty. I would like to ask the Minister if he could explain to the House why, on his particular committee, there are no victims of AIDS or representatives of groups who work with these individuals who could assist him and the Government in developing sound and pragmatic public policy to address a tragic situation.

• (1500)

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, first let me thank the Hon. Member for his kind comments and for the thoughtful and very constructive suggestion that he has made.

I am currently considering what structure NAC AIDS should have in the future. It is important to ensure that when we get advice with regard to how best to deal with this problem of AIDS we draw from all sources but in particular those people who are asked to live with AIDS, those people who are helping to provide assistance to those people living with AIDS. They should be fully consulted.

In particular, as we develop a new national strategy to deal with this vital issue of AIDS which has caused so much suffering for so many people, I want to ensure the very broadest possible sources of consultation.

GOVERNMENT COMMITMENT OF FUNDS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I thank the Minister for his response but I remind him that the seriousness of this issue requires strong and consistent leadership by the Government of Canada. In view of the previous election commitment of additional moneys which would be addressed toward this tragic disease, totalling $168 million, will the Minister indicate to Canadians that on the grounds of compassion, human dignity, sanctity of life, his Government will stand behind that commitment of a minimum of $168 million to address this very tragic situation?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman will know that in the Speech from the Throne the Government talked about a new commitment to AIDS, to ensure that every effort was made to deal with this disease. We have committed ourselves to $168 million over the course of the next five years. We are continuing with that.

In addition, we are redoubling our efforts to ensure that all of those who are involved in this area, including persons living with AIDS and those people who are charged with the responsibility of assisting them, work closely together because if we are to lick this disease we must work closely together at all levels, both public and private, to ensure our success.

PRIVILEGE

USE OF POSTAL FRANK BY MEMBER FOR NOTRE-DAME-DE-GRACE

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, franking is a special privilege granted to all Members of the House to facilitate and ensure postal communications with their constituents.

It has come to my attention through a report in the *Weekly Press* in the west end of Montreal that this privilege has been used to circulate partisan Liberal Party materials, not to constituents of the Hon. Member in the riding of Notre-Dame-de-Grâce but solely and directly to Members of the Liberal Party in my riding of Lachine—Lac-Saint-Louis.

I do not believe that the franking privilege was granted for political partisan purposes such as membership development or fund-raising. If this practice in my riding today were to be approved and applied across the country, Canadians would be flooded from every Member with propaganda at their own and taxpayers' expense.

The mailing in my riding of Lachine—Lac-Saint-Louis transferred over $1,000 in costs from the local riding association and its defeated candidate, Victor Drury, to the Canadian taxpayer. I believe that the spirit and morality of our franking privilege has been abused, if not breached, by this action, that my rights as a Member are affected, and that the practice should be discontinued.

Hon. Warren Allmand (Notre-Dame-de Grace): Mr. Speaker, I welcome a ruling from you, from the committee, or the Parliamentary Counsel. What I did was to send out a notice of meeting with respect to Liberals in the Lachine—Lakeshore riding.

I must say that it is a surprise to me that one cannot send out mailings that are of a partisan nature to anywhere in Canada. For years now all sorts of mailings have been sent into my riding and out of my riding that were extremely partisan, but I will comply with whatever ruling. It was sent in good faith and I will comply with whatever ruling you deem fit.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I did not expect this question of privilege. Perhaps I can make a suggestion that I am sure my hon. colleague on the government side would accept. It is that when the Standing Committee on Management and Members' Services is reconstituted perhaps your Honour would see fit to send this question to that committee. It has happened in the past. Members from all Parties have had to agonize over this kind of question and we have always come to a happy ending.

Perhaps with the co-operation of my hon. colleague from the government side, and any other interested Member, your Honour may see fit to send the whole question of the frank to the Members' Services Committee when it is reconstituted. That should be within a very few weeks.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I suggest the hon. gentleman should have checked with his Leader about how the franking privilege should be used because four years ago the Young Ukrainian Organization brought to me an envelope in which there was a lot of literature from the Government, including a Progressive Conservative brochure encouraging young Ukrainians to vote for the Conservatives. If the Member wants to raise that question of privilege, I suggest he check with his Leader and set an example for everyone in the House.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I too am surprised at the question of privilege raised by the hon. gentleman. I would ask him to account for why I got letters from the Rt. Hon. Robert Stanfield and the Rt. Hon. Member for Yellowhead (Mr. Clark) when they were leaders of their Party, asking for donations to the PC Canada Fund, on their frank.

Mr. Prud'homme: Mr. Speaker, I attempted to rise quickly because I expected this to go on and on. That is exactly why I made the suggestion that you may see fit to send this to the committee on Members' Services.

Mr. Layton: Mr. Speaker, I am happy to respond to my hon. friend and have the matter referred to the committee.

Mr. Speaker: I do not know that procedurally the Speaker can necessarily refer it to the committee. However, perhaps I can say that I think it would be a very good idea if the committee took up the matter and all Members who are concerned had a chance to discuss it. I thank the Member for Saint-Denis (Mr. Prud'homme) for what I think is a very helpful suggestion.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the customary question of the Government House Leader as to what business he intends to call for the coming week.

While I am on my feet, I want to ask the Government House Leader specifically whether he will agree to call during Government Orders the motion of the Rt. Hon. Leader of the Opposition (Mr. Turner) which, if supported by the House, particularly the Conservative majority, would take away from this House the opportunity to use the notwithstanding clause.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to advise the House that today and tomorrow we will continue with the seventh and eighth day of the Address in Reply to the Speech from the Throne. On Monday, April 17, we will begin second reading of Bill C-2, the Bill on Transportation Safety. In the event that we do not finish that Bill on Monday we will continue with it on Tuesday in an effort to wrap up debate on it. The back-up Bill would be Bill C-3, the Bill to establish the Department of Industry, Science and Technology. As the week progresses, we will see what we are doing with respect to those Bills and other items.

• (1510)

With specific reference to my hon. friend's request that we subvert the private Members process and bring forward in an unfair manner the motion of the Right Hon. Leader of the Opposition, I should tell him that we are very, very loath to do that for that reason. Also, we are on the record as indicating that the Meech Lake Accord ratification process is going well. Eight out of 10 provinces representing 93 per cent of Canadians, as a matter of fact, have ratified the Meech Lake Accord. We are also on the record as saying that there should be no parallel actions which would in any way interfere with that ratification which I would hope my hon. friend wishes to proceed with. For those two reasons, we will not be dealing with the motion of the Right Hon. Leader of the Opposition.

Mr. Gray (Windsor West): Mr. Speaker, in view of the concerns expressed about the effect of the notwithstanding clause on our current constitution, I would ask the Government House Leader if he would be willing to put down the same motion offered by the Leader of the Opposition in the name of the Prime Minister. If that is the case, we would be willing to agree to withdraw the motion that was put down by the Leader of the Opposition under private Members' business.

I do not accept the Government House Leader's argument that to do what I suggested in my first intervention undermines the private Members' business procedure, but in order to remove any doubt on that score, I say right now that we would be willing to give unanimous consent to withdrawing the Leader of the Opposition's motion if in its stead there is put down under Government Orders the same motion in the name of the Prime Minister which could be then called for debate and quickly disposed of, if the Government is willing to support it.

Mr. Lewis: Mr. Speaker, yes, we are following the rather unusual procedure of proceeding with the Government's business during Government time and according to the mandate given to us by the people.

As I have said before, the Meech Lake ratification process is proceeding. We do not want to interfere with it in any way. We do not want to clutter it up. It is in the Speech from the Throne that we are presently debating that we intend to continue the constitutional process after the Meech Lake Accord is ratified, and we hope that that will be very soon.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, through you to the Government House Leader, I am wondering when we can expect legislation to create a full Department of Forestry. When might such legislation be introduced in the House?

Mr. Lewis: Mr. Speaker, I thank my hon. friend for his compliments. We have a Ministry of Forestry and a Minister of Forestry. My hon. friend has quite rightly pointed out that we are the first Government to have given prominence to this very important industry, and I will take his representation under advisement.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, just to clarify the point with the Government House Leader, I think it must be said that at the moment, we have a Minister of State for Forestry, quite different from a full Minister. I think what my hon. friend from Prince George was indicating was that the Government did promise many months ago to name a full Minister of Forests, with the accompanying enabling legislation to set out the parameters of that Ministry. That is the question. We all realize we have a Minister of State for Forestry, but that is not keeping the Prime Minister's promise to have a full Ministry.

Mr. Lewis: I appreciate my hon. friend also adding his compliments to that of his friend with respect to this very important step the Government has taken for the forest industry, and I will take his representation under advisement.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps I could further enlighten my hon. friend who represents a British Columbia riding. In September last year, the Prime Minister (Mr. Mulroney) announced the establishment of a full Ministry of Forestry, and of course, the operations of Government is entirely a Prime Ministerial prerogative. As a matter of fact, the Ministry of Forestry is operating as a full Department under an Order in Council, and legislation is in preparation in final draft form that will be presented to the House at an early stage.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I wonder if the Government House Leader could assure us that the fisheries committee would be organized soon. There is a serious problem of overfishing of halibut as represented by the industry and the unions, and they would like an opportunity to make representations to the committee.

Mr. Speaker: It may may very well be an important matter. The Minister may want to answer, but this is getting well beyond the ordinary exchange between the Opposition and the Government on next week's business. The Minister may want to respond, but I certainly do not think he is bound to.

Mr. Lewis: Perhaps I could see the Hon. Member behind the curtains and we can discuss it.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I am certainly very pleased to have the opportunity to participate in this debate as our Government begins the second session of the Thirty-fourth Parliament. I would first like to take this opportunity to commend the Government of which I am extremely proud on its past performance, a performance that will be equalled if not surpassed in the next four years, and I am sure many more years to come. I compliment our Government on its achievements in initiating so many new policies encompassing such diverse areas.

When I was asked to speak on the Throne Speech, I asked myself what is a Throne Speech, and I looked up a definition. I quote from the book *Government of Canada* written by Dawson. The Throne Speech:

> —is a statement, drafted by the Prime Minister and approved by the cabinet, which reviews concisely the state of the nation and recites in fairly general terms the program which the cabinet proposes to Parliament in the upcoming session.

As I see it, the Throne Speech outlined a course of action for the future while reflecting on the past accomplishments of this Government. As a result of the endeavours of our Government, Canada's economy grew faster last year than those of the United States, United Kingdom, Germany, France and Italy. In real terms, our economy grew by 4.3 per cent. The Canadian economy will continue to grow with increased international trade under the direction and leadership of this Government.

Since 1984, Canada's job creation record has been the best of any major OECD nation. The unemployment rate was cut from 11.2 per cent to 7.8 per cent in December, more recently to 7.6 per cent and it was just announced last Friday that it was 7.5 per cent. Under the previous Liberal Government, in 1982, this country experienced record high unemployment. That Liberal Government had allowed youth unemployment to climb to unacceptable levels, while our Government cut youth employment by one-third.

Our Government is dedicated to maintaining for the youth of this nation a prosperous labour market in which to grow and participate with a sense of accomplishment. This Government's dedication is very evident in my riding. For years, the employment situation in York—Simcoe and surrounding ridings has been excellent.

The supervisor of the Canadian Employment Centre for Students recently informed me of the tremendous employment prospects for students this summer. The original function of the centre was to find suitable jobs for students. However, and particularly this summer, its function seems to be finding enough students to fill the numerous vacancies businesses have posted at the centre. The students of York—Simcoe are extremely fortunate because not only are they being given an opportunity to earn money for university and college expenses, but they are gaining valuable work experience and getting a glimpse of the work and business world of their future.

The key words used in the Throne Speech were "building", "preparing", "protection", "caring" and "sustainable development". These words are descriptive of a Government that shows every indication of providing the next and future generations with a standard of living comparable to the one we cherish today as one of the highest in the world. However, our standard of living, the strength of the economy, the unemployment level will mean nothing to our children and grandchildren if we do not make provisions to ensure them of an environment in which life flourishes, not diminishes.

• (1520)

The commitment our Government made four years ago to making the environment a priority was reaffirmed in a mandate outlined in the Throne Speech. As the record shows, our Government's accomplishments in initiating environmental policies and directives have been vast. Agreements have been signed with all the provinces to cut in half acid rain causing emissions from factories by 1994. Actions were taken to have leaded gasoline emissions cut out completely by 1994. Bill C–30 was passed to improve the National Parks Act. Bill C–74 was passed to provide stricter controls on handling toxic wastes from their production to their disposal. In 1987, Canada hosted an international conference on the ozone layer in Montreal. That historic agreement, signed by more than 40 countries, is designed to reduce emissions, which destroy the ozone layer, by 50 per cent by 1999. As well, we hosted an international conference on the chemical contamination of the atmosphere which was held in Toronto in June of 1988.

As the Throne Speech outlined, our Government is going to continually develop policies that reflect the concept of sustainable development where our economic policies are not divorced from their environmental impact. In Winnipeg, there is the creation of a centre for the international promotion of sustainable development. More information and direction will come from the round table on the environment and the economy, which is being chaired by the President of McGill University.

The Minister of the Environment (Mr. Bouchard) has been giving me responsibilities to ensure that environmental issues are fully considered in the course of Government decision–making. There will be new regulations to limit the impact of toxic chemicals; actions to protect the arctic environment; new legislation to ensure an appropriate environmental assessment review process; negotiations, both with the United States and globally, to improve the quality of the atmosphere; and initiatives to clean up the Great Lakes and the St. Lawrence River.

As I stand here reflecting on and listing the many accomplishments and future directives of our Government, words to a song keep running through my mind: "Every generation blames the one before it". Under the leadership of this Government, those words will not be echoed in the minds of our children. If I may plagiarize the words of my wise colleague, the Hon. Don Mazankowski, "today's farmlands", today's environment, "are our children's heritage and we owe it to future generations to be wise stewards of this renewable resource"; of these precious lakes and forests; of this land.

I would like to speak a bit on the topic of a Human Resource Development Strategy and the pending necessity for the training and retraining of Canada's workforce, especially our youth.

Prior to 1986 and in the early part of 1984, businesses were able to select the best qualified, sometimes over qualified candidates, totally ignoring the less advantaged or less equipped candidate, such as high school drop–outs. Fortunately, because of the leadership shown by this Government, we are experiencing record low unemployment. University, college and high school graduates are now able to find jobs better matched to their aspirations. They no longer have to settle for positions that are grossly below their academic credentials and career potentials. In many instances, graduates are able to choose the company they want to work for rather than have the company choose them. The situation has not improved that much for high school drop–outs, but we are making good strides in helping this forgotten group face and conquer the labour market.

The contribution of our Government in helping drop-outs and potential drop-outs is evident in the region of York, which is a major portion of my riding of York—Simcoe. Last August, my colleague, the Hon. Barbara McDougall, in her capacity as Minister of Employment, approved the federal Government funding of a program designed to help potential high school drop-outs in Ontario's York region.

The funding, which came from the innovative program of Canadian Jobs Strategy, has helped to fund a three-year project that established a career centre to assess and give career counselling to potential high school drop-outs. The drop-out rate in the region of York is about 33 per cent. I was astonished when I heard that figure. This program is designed to give students a glimpse of what the future would be like if they dropped out of school and to provide them with an incentive to stay in school. The intent of the program is not to make students feel that university or college, in the traditional sense, is the be all and end all for everyone. The centre does, however, promote the merits of finishing high school.

The funding also helped establish the York Region Education-Industrial Foundation which identifies sectors where worker shortages exist. Employers in York region have identified skilled labour shortages as the most critical problem facing them today.

The career centre, working in co-operation with the education-industrial foundation, helps steer potential drop-outs into trades in which the foundation has identified a need for workers. The centre is also assisting graduates, disabled and minority groups find employment.

This program is just one small example of how employment and immigration, through Canada's Jobs Strategy Innovations Program, encourages the development of new ways to ensure that Canadians have meaningful employment. Its funding of innovative projects designed to keep the Canadian labour market growing demonstrates our Government's commitment to meeting the ever-changing labour needs of Canadian businesses and their potential employees.

I would like to quote the Minister of Employment and Immigration (Mrs. McDougall).

> The Government knows that Canadians want to work. We will therefore use unemployment insurance funds to actively help the unemployed find jobs. There will be faster, easier access to counselling, training and re-employment programs. The unemployment insurance program will continue to be an integral part of Canada's social system.
>
> Our goal is to improve the UI system and current labour market programs. These improvements redirect funds to new, more effective ways to help unemployed Canadians.

"Innovative" is a word representative of this Government, and innovation will be needed in designing future programs to meet labour market changes, especially in a time of necessary fiscal restraint. New technology is being introduced in this country at an accelerating rate. New technologies will require more sophisticated skills.

Technology coupled with the aspirations of Canada's youth to surpass the educational achievements of their parents put a tremendous onus on this Government. We are faced with a wide discrepancy between the educational aspirations of young people and the present capacity and diversity of the education system to meet these expectations. More so now than ever, the job market calls for a higher level of skill than was required for earlier generations.

My riding, York Simcoe, which is part of the fastest growing region in Canada, is already faced with an employment crisis. Developers have been "building" and "expanding" in the last few years. Towns such as Newmarket, which had a population growth of 17 per cent from 1981 to 1986, East Gwillimbury, Georgina, and other towns in this area have had major growth spurts. Eighty per cent of the increase in this region is attributed to the migration of young families within the age group of 25 to 44. My riding has a shortage of skilled workers. The 15 per cent increase between 1985 and 1986 in business establishments creates a demand for trained employees that we are still trying to meet.

The migration to my area is due in part to the expansion of the 404 which now ends in Newmarket and to the York-Durham sewage system. The increase is also due in part to the exceedingly high house prices in Toronto. The price of housing in my area is not low.

Another major reason for our continual growth is attributable to the sense of community my riding has maintained despite its rapid expansion. New residents have found that towns like Holland Landing, Sutton, Keswick, East Gwillimbury, Tottenham, and Mount Albert are safe, friendly and family-oriented communities in which to bring up their families. You can still walk down any street in any one of those communities and recognize an acquaintance or a friendly face. These communities all boast strong municipal governments which provide excellent recreational facilities and activities that promote community interaction.

• (1530)

I am proud to say that the majority of people who do approach me are close acquaintances with whom I have worked in either a service organization or a voluntary group, cheered with at a hockey game, or even voted against at municipal meetings. Today, I am proud to demonstrate and represent the community spirit of my riding.

I know all my constituents will be looking to our Government to help maintain and foster the sense of community and sense of family so endeared to them, as I am sure it is to those in the rest of Canada.

Under the direction of the Prime Minister, I can assure my constituents that the Government will introduce legislation to create a child care program that addresses areas where it is required.

Despite the financial difficulties the Government faces, it will continue to provide assistance to families and the elderly, while directing greater assistance toward those with low incomes. We will be initiating legislation to reduce family violence, child abuse, and drug abuse. We will continue with criminal law reform which includes a review of the Young Offenders Act. We will also address the very sensitive issue of abortion.

Our approach to addressing the vast and diverse challenges in our changing Canadian society will be reflective of Canadian values. We have advised Canadians that we will be innovative in our approaches to handling the difficulties facing the Government.

Last November Canadians showed that they believe in the ways that we are trying to accomplish our objectives. In the Throne Speech we have shown that we will do everything in our power to ensure that the next generation will not blame the one before it.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Okanagan—Similkameen—Merritt.

Mr. Whittaker: I listened with great interest to my hon. friend on the Government benches as he discussed employment opportunities, post-secondary education, et cetera.

Yesterday I met with a scientific and educational society. Among other things, they were concerned about the loss of funding in the area of research, the loss of funding in the area of educational opportunities, and the brain drain that is occurring both in the public and private sectors. Our good Canadian minds are moving to the United States of America, to places such as NASA, a public facility where they are being offered large sums of money in order to work.

Those people cannot find jobs in Canada because of the Government's policies of cutbacks in the area of research. Over a period of time, research repays great dividends to the Canadian people. Whether it is geriatric research, agricultural research, or astrophysical research, we receive major returns in Canada from those dollars we put in. Yet we have seen a watering down of that in Canada over the last few years.

What will the Hon. Member do? Will he do more than talk about educational increases, employment, and the educational system, and press his Government to ensure that research funding is increased so that we can put an end to the brain drain from Canada and give our youth a future in our research community here in our own country?

Mr. Cole: Yesterday, I also met with representatives of that group. When I spoke to them I was encouraged. One of the ladies informed me that she had just received a research grant of over $100,000. This was a totally new grant from a totally new base. It was an industrial grant that came from the private sector, not the public sector.

When I mention innovative changes and changes coming from within the Government, we should be encouraging those types of changes. We have to ensure that the dollars we are spending are productive for us. If they are not productive, then they must be cut in order that we will have a more productive use of and value from our dollars.

Mr. John Manley (Ottawa South): Mr. Speaker, I take this opportunity to rise to speak in this debate with a sense that Canada stands today at some historic crossroads.

[*Translation*]

It is a privilege to speak as the Official Opposition's critic for science and technology, since I am aware that science is very important for Canada if we want to compete in the global economy.

[*English*]

Canada is at an economic crossroads. We must soon decide how we will maintain our standard of living in light of the fact that we can no longer rely solely on the exploitation of our natural resources. The question we must ask ourselves is: Are we prepared to realize the potential of our far more important resource, our people?

The choice that Canadians must make is clear. We have to change our way of thinking, and our way of understanding economic development within the context of an environmental crisis. We have grown up believing that our natural resources are unlimited, that our wealth and standard of living is assured. This is not true.

As a people we have demonstrated determination, perseverance and ingenuity in conquering a massive continent, overcoming a hostile environment, and building a nation. We Canadians have pursued a path remarkable in its distinctiveness in the new world. History influences us deeply as we continually seek a renewal of the social compact that binds us together.

We are shaped by the strong influences of our two founding linguistic groups. However, we are also influenced in important ways by the special heritage of our aboriginal peoples, and by our more recently acquired multicultural diversity.

We forged a nation where logic dictated that none should exist. We built a new nation without denying our historic ties to our motherlands. We forged alliances, waged war against oppressors, and distinguished ourselves as international peace makers. We have set an example by sharing our wealth, although perhaps not enough, with those less fortunate, or those touched by destruction, disease, drought and famine.

Canada is a unique and special place. The world needs Canada, a middle power committed to freedom, to democracy, to peace; an open nation willing to criticize its friends while remaining loyal to historic alliances; an honest broker between superpowers; a nation able to understand the tensions and stresses of the world because it comprehends within its borders a richness of diversity and experience that mirrors the world at large.

The world needs Canada, and we have worked hard to create a place called Canada. Canada is more than a mere collection of regions, more than a nondescript adjunct to a North American superpower. Our single greatest achievement can be seen in the way we have related to each other.

[*Translation*]

Mr. Speaker, it is also my view that Canada is not only at an economic crossroads but at a constitutional one as well. Although the Prime Minister refuses to admit it, we are now going through a crisis. Canada's future is more in doubt now than it was in 1976 when René Lévesque was elected.

[*English*]

Matters of human relations are not easy and they are always touched with fragility. There is no human relationship between individuals or between peoples that cannot be severed, no bond of friendship or loyalty that cannot be betrayed. Indeed, it is my view that there is no greater need in human society than the need for reconciliation.

That is why recent events have saddened me so much. I speak of the debate that has occurred in this Chamber and elsewhere on our Constitution. I speak of the legislative and public response of the Government of Quebec to the judgment of the Supreme Court of Canada in the matter of minority language rights. First, I wish to address the matter of the Constitution and the process of constitutional reform.

• (1540)

For many years the sole exception to Canada's full legal status as a free democratic and independent nation was the necessity to seek the consent of the Parliament of the United Kingdom to any constitutional reform. The abolition of appeals to the Privy Council and the completion of the unification of British North America with the entry into Confederation of Newfoundland in 1949 almost completed the picture. Almost, but not quite. For more than 30 years after 1949, efforts to solve the difficulty of agreeing on how we as Canadians should amend our Constitution thwarted efforts to repatriate.

Agreement on an amending formula was reached in Victoria in 1971, only to be nullified by Robert Bourassa in a decision that I believe contributes directly to the present difficulties.

When the Supreme Court of Canada decided in 1981 that provincial consent was not required by law to amend the Constitution, the federal Government's will to repatriate the Constitution assumed greater importance. The fact that agreement on a new Constitution could not be achieved with the Government of René Lévesque, a government whose purpose though thwarted by the will of the people, was the withdrawal of Québec from Canada is hardly surprising. René Lévesque did not line up with the other Premiers to sign the 1982 Constitution. That would have been like Ronald Reagan singing when "*Irish Eyes are Smiling*" with Daniel Ortega.

The people of Québec did sign the Constitution. They signed with the pen of Pierre Trudeau. They signed with the pens of Jean Chrétien and André Ouellet. They signed with the pens of all their federal Members of Parliament, men and women elected in Québec by Québecers, and with a mandate to affirm Canada, not to tear it down.

Is it necessary to even bother to seek the consent of the Government of Québec? Indeed it is. Our federation recognizes the mutual sovereignty of federal and provincial levels of government, legislating within their own jurisdictions. Therefore, I believe that where this sovereignty is to be affected the consent of each sovereign government should be obtained. We should not, we cannot continue indefinitely without the sanction of the Government of Québec for the 1982 reforms. But the Government of Pierre Trudeau was right, and courageous in so doing, to not permit the Separatist intentions of René Lévesque to block constitutional reform. In a brave and modern departure from British constitutional tradition, our new made-in-Canada Constitution included a Charter of Rights and Freedoms. In addition, it included a clause that preserved the doctrine of the supremacy of Parliament by enabling laws to be enacted and enforced notwithstanding non-compliance with the Charter.

Pierre Trudeau and his Ministers did not favour including the notwithstanding clause. It was forced upon that government by Tory Premiers, such as Sterling Lyon of Manitoba. It was the price that had to be paid to have a Charter of Rights, as the former Solicitor General said in this House last week. the renegade Government of Réne Lévesque responded immediately by invoking the notwithstanding clause in respect of all Québec legislation. Despite the power to invoke notwithstanding, the Canadian Charter of Rights establishes for all Canadians a concisely articulated statement of what we as a people believe should be the limits of power to be exercised by the Government. It also states clearly what we believe to be the overriding rights of the individual. A government invoking notwithstanding must now do so at its peril. We as a people have agreed on the Charter's formulation of basic rights. To suspend those rights must bring with it political consequences in a free society.

The Charter is not only a legal framework. The Charter is a standard, a measure of our freedom, of our respect for the liberties of the individual. It is for us all as parliamentarians, as law makers, as citizens, to point to the Charter, to hold it up, to assert its importance. It must grieve us all that the Prime Minister of Canada (Mr. Mulroney) would say that the Constitution, including the Charter of Rights, is not worth the paper it is written on.

I need not quote the comments of the Right Hon. Prime Minister in this House last Thursday, April 6, his attempt to rewrite history. It is sufficient to say that his denunciation of the 1982 Constitution was so overstated and hypocritical as to make one wonder at its audacity. The exaggeration on the part of our revisionist Prime Minister is obvious. Notwithstanding took nothing away from the Charter of Rights that was there before 1982. Before 1982 we had no written Charter. Parliament was absolutely supreme.

Mr. Diefenbaker's Bill of Rights, while a valiant and admirable effort, was a mere guide to statutory interpretation in its affirmation of rights. It did not limit Parliament's law-making ability. Of course, notwithstanding mitigated the effect of the Charter. But the Prime Minister is seriously misinformed when he tells the people of Canada that notwithstanding made the Constitution not worth the paper it is written on. Nothing was surrendered, only the gain was not as great as it might have been hoped. There is not one aspect of the Prime Minister's criticism of the 1982 Constitution that could not be applied with equal validity to his own efforts of constitutional reform in 1987, including the continuation of the notwithstanding clause. Why did he not attempt to remove the notwithstanding clause during the Meech Lake negotiations? If the 1982 Constitution is not worth the paper it is written on because it contains the notwithstanding clause, what value has been added to it by Meech Lake?

The Prime Minister was not yet in this House when the 1982 Constitution was voted upon. But every Member of his present Cabinet who was a Member of this House at that time voted for the 1982 Constitution. The Prime Minister's attack last week is simply appalling, incredible, and indeed, disreputable. I would suggest that the example of public debate and consultation of the constitutional reform process in 1981–82 could well have been followed by the Prime Minister in his own effort.

The idea that the Meech Lake Accord was a seamless web, not amendable, nor even capable of meaningful debate by Canadians, is offensive.

[*Translation*]

I am convinced that the amendments proposed by the Liberal Party are essential and I fail to understand why the Prime Minister still refuses to consider them.

[*English*]

How is it that in a democratic society 11 men can lock themselves in a room all night, drink too much coffee, and change the basic contract whereby we live together as Canadians, and tell us that no, the other 25 million Canadians can have nothing to say about this? There were no women in that room at Meech Lake. There were no native people. There were no visible minorities. There were no representatives of the North. There was, in short, no respect for the need to have due process in the amendment of the Constitution.

The Prime Minister criticized the 1982 Constitution for having failed to enhance national unity. The divisions in this country provoked by the Prime Minister's effort at constitutional reform make the 1982 reform look like a children's birthday party.

Meech Lake is flawed and, tragically, it may be doomed. The Prime Minister knows it. The Prime Minister knows that the Premier of Québec, by introducing Bill 178, may have sealed the fate of Meech Lake, and yet he will not say so. The Premier of Québec, in claiming that notwithstanding would be unnecessary if Meech Lake were approved, is wrong since the Supreme Court decision was largely based upon the Québec Charter, which is unaffected by Meech Lake. In this action the Premier has confirmed the greatest fears of most Canadians about Meech Lake, and made its ratification exceedingly difficult. That is a great shame. It is a tragedy. I believe that Meech Lake should be ratified, but it must be further amended, because Canada needs to put an end to its pre-occupation with constitutional reform and language rights. Canada needs healing. Canada needs to focus its national will and build toward the future. Canada needs reconciliation, and therefore it needs national leaders who are reconcilers, healers.

Regrettably, the Prime Minister has failed in this task. He has let us all down by turning to partisan attacks when statesmanship was called for. I believe we can be sympathetic to the Premier's position as the leader of the only political entity in North America that has a Francophone majority.

[*Translation*]

We agree with Mr. Bourassa that the French language must be protected. Québec must promote the French language.

[*English*]

But I would urge the Premier of Québec, and indeed all the Premiers, to look again at the vision of a bilingual Canada. French language and culture is more endangered in a fortress Québec, unilingual and isolated, than it is in a strong and bilingual Canada.

• (1550)

These are difficult and complex issues. I ventured to speak of them acknowledging my own inability to comprehend them fully, but believing as I do that Canada is a unique and special place, that Canadians are a people of considerable tolerance, and that the world needs Canada.

Canada is at a national crossroads. Unless we find our way here decisions about our economic crossroads may not long be ours to make together.

There are many other things, including the economic crossroads, that I would like to discuss, but my time has ended. Thus I will close on this final word. The world needs Canada. Canada more than ever needs leaders who are willing and able to be healers and reconcilers.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Halifax (Ms. Clancy)—Child Care—Request for legislation—Request for action; the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi)—Air Safety—Review by Departmental Audit Branch—Minister's intentions; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Drought assistance compensation payments.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Duhamel: Mr. Speaker, yesterday I attempted to have the Government make a commitment to research and development and to continued support of colleges and universities. Frankly, and I say this with total sincerity and generosity, I was not at all satisfied with the answers I received.

In the Speech from the Throne it was indicated that the Government would be following the recommendations of the National Advisory Board on Technology. I am wondering if my hon. friend, the Official Opposition critic, can give me his evaluation of the Government's performance to date in research, science and technology.

Mr. Manley: Mr. Speaker, I would like to thank my hon. colleague for the question that he has put to me. It raises issues related to that economic crossroads that I was speaking about that Canada finds itself at.

As I said in my remarks, we cannot any longer count on the sale of our natural resources to ensure our continued wealth and prosperity as a nation. What is critical for us is to go forward in new technologies, to train our people and to build on that key resource—our people. There are many numbers that show that Canada is lagging behind.

We know that the Prime Minister, before the 1984 election, promised to increase the ratio of gross expenditures on research and development to Gross Domestic Product, to 2.5 per cent, roughly double what it was at that time. Unfortunately, the record of the Government has been a failure in respect of that goal. In fact, by 1987 the gross expenditure ratio was 1.38 per cent compared to 1.37 per cent in 1984.

There are many other indicators that suggest that we are lagging behind in research and development. In our expenditure ratio we are last behind Finland, France, Germany, Japan, Norway, Sweden, the United Kingdom and the United States. Our R and D personnel per 100 in the labour force has barely moved since 1982, in spite of the importance of having these people employed and doing new work.

According to the last year for which there are statistics, 1986, there were eight per thousand R and D personnel in Canada. France has 11.4. Japan has 12.9. The Netherlands has 10.7. Switzerland has 13.9. It is crucial that we begin to find ways to increase our concentration in science and technology, engineering and research. We have to take advantage of our intelligent population, of our vast expanse of educational infrastructure, to ensure that Canada can build the means to compete in the modern era.

Our resources will only last so long. Indeed, when one considers the recent developments in nuclear physics, one wonders whether a major resource, that of petroleum, is going to continue to be a source of earnings for us if the discoveries in nuclear fusion prove to be as exciting as they promise.

We have to deal with these items. We need to deal with them in a way that really takes into account the importance for the future of these types of expenditures, notwithstanding the level of the Government's deficit. Deficits need to be taken into account in deciding how any government money is going to be spent. Spending on research, on education and on our people is essential, otherwise our deficits in the future will only grow. Our economic prospects for the future depend on our ability to grow in science, engineering and technology.

Mr. Parent: Mr. Speaker, I have heard quite a few speeches in the House. I want to compliment my new colleague on what he had to say about Meech. I was hoping that he could address himself to this one question.

I would like to know his opinion on whether or not minority rights in Québec were truly protected by this infringement when the Québec Government brought in Bill 178. Could the Hon. Member please comment on that? I think he was leading to it.

[*Translation*]

Mr. Deputy Speaker: Order! The Hon. Member for Louis-Hébert (Ms. Duplessis), on a Point of Order.

Ms. Duplessis: Mr. Speaker, the Hon. Member for Ottawa South started speaking at exactly 3.35 p.m. and it is now exactly 3.57 p.m.. I believe his time has expired, since it was agreed to allow 15 minutes for speeches and five minutes maximum for questions.

Mr. Deputy Speaker: The period for questions and comments had not expired when. . . You are right, the Hon. Member's speech went a little over fifteen minutes, but the period for questions and comments has not expired, so I will allow one more question.

[*English*]

Mr. Manley: Mr. Speaker, I appreciate the graciousness you have shown me. My answer to the question is that where minority rights are not protected by any Government, it is indeed in my opinion the majority who is threatened. Each of us who are in today's majority must know that our own rights are only as safe as those of the weakest person in our society.

In failing to protect the rights of an Anglophone minority in Québec, Mr. Bourassa has made it much more difficult for all of us who believe in and want to protect the rights of Francophone minorities elsewhere in Canada.

• (1600)

[*Translation*]

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, I welcome this opportunity to take part in the debate on the Speech from the Throne. I prepared a long speech to explain that first of all, the Throne Speech contains a lot of "rehashed stuff" and that the Government wanted to reduce the deficit but did the exact opposite during its first four years in power.

Second, when the Throne Speech refers to social programs, we know the Government has already cut $13 billion in funding.

However, I think I would rather skip my prepared speech and try to explain, speaking as a Québecer and speaking to all Hon. Members and to English Canada, what it means to be a Francophone Québecer in this bilingual country of ours where everyone dreams of being bilingual.

First of all, bilingualism is for Francophones and unilingualism, for Anglophones. An Anglophone in the House of Commons can show off his few words of French and say: *Bonjour monsieur, ça va bien?* But a Francophone has to be fully bilingual.

I think it is important for all Members of this House to realize how the population of Québec is made up. Twenty per cent are Québecers but they are Canadians first and Québecers second. They live in the riding or Mount Royal, in Westmount. They are Anglophones. They believe in Canada first, and Québec second. Another 20 per cent are at the opposite end of the spectrum. They are separatists, want nothing to do with Canada and are in a hurry to get out of Confederation. The remaining 60 per cent, and that includes me, are Québecers first and Canadians second, and during the last referendum. . . Mr. Trudeau was able to patriate the Constitution thanks to the results of the referendum in Québec. With other Francophones, I fought the separatists. I wasn't in the riding of Mount Royal then. I fought against Charron and Burns and all those pillars of the PQ establishment. Because of those results, even when no decision was forthcoming from the National Assembly, either from Liberal or PQ members, there was an unwillingness to start the patriation process.

At the time I worked very hard because I was convinced that English Canada, my own colleagues and other Members would say: Yes, stay in Canada, we will try to understand. However, when I consider the reactions to Meech Lake, I get the impression that English Canada still doesn't understand. When I listen to comments on Bill 178, and I hear my English-speaking friends from Québec complain, and then when I look at how Francophones in other provinces are treated—they are in a disaster area and Québec's Anglophones are the best protected minority in the whole world!

We must realize that 60 per cent of the Francophones in Québec are Québecers first and Canadians second, but that 60 per cent said yes to Canada. However, the way things are now, I think if there was another referendum, I would work for the other side. Sometimes I wonder, when I hear some of the Provincial Premiers talk about Meech Lake, what Québec has to gain from being associated with these people. We would be better off with the Americans. We might get more respect and be better understood.

The minority language at risk in this country is not English, according to D'Iberville Fortier, the Official Languages Commissioner, it is French. French is at risk in the other provinces, but can you imagine that even in the very heartland, as Mr. Trudeau said, of the French fact, even in Québec the French community is at risk. Mr. Bourassa had no choice. I agree. He had no choice but to use the notwithstanding clause to protect the French fact. I am not saying that signs are the best way to protect the French fact, but Québec must be able to keep some tools. It cannot leave it up to the Parliament of Canada to protect the French fact in Québec, because history has shown that Canada has not protected French in Québec.

At one time there were more English radio stations than French networks accredited by the CRTC in Québec.

In the 1982 Constitution, Mr. Trudeau, although he did not support the idea, agreed to let the Canada Clause prevail in Québec and the universal clause prevail in the other provinces with respect to the language of education. Although he did not support the idea because he was in favour of free choice, he knew perfectly well that his Members would not accept that, and perhaps if his initial proposal had been successful, it would have caused chaos in Québec with respect to the language of education. In immigration matters, there again, Québec and only the Parliament of Québec can afford the province the protection it needs, and as Mr. Bourassa said: We cannot transfer the authority to protect the French fact in Québec to another Parliament whose members belong mostly to the majority.

The same applies to the language of education and the same applies to culture.

Mr. Speaker, in Québec our most effective tool is the language of work. I was a Member in Québec City when the Government passed Bill 22. I agree a number of mistakes were made in Bill 22 and what happened in the area of language tests was unacceptable. But Bill 101 was the legislation that kept the peace in Québec. It enforced while respecting the rights of the anglophone community, rights of employers and unions alike, and there were no problems.

There was agreement in Ottawa to replace the Quebec clause with the Canada clause. Since we had decided to remain in Canada, it was right that anyone in Canada who had been schooled in English and was transferred to Quebec could have his or her children educated in English. But those who come from other countries to Quebec would have to go to French school and integrate. Language of work may be the area where the Bourassa Government has not done enough to promote the French fact, but I must tell you in all honesty that I do not think that my leader's speech and the Prime Minister's recent speech on the Constitution have done a lot to advance Canadian unity. All that they achieved was to force us Québécois and the Premier of Quebec to oppose any change to the notwithstanding clause. And you know that a minority which feels threatened often is obliged to cling to symbols.

The question of unilingual French signs is a symbol and that is not what will save our language. But unfortunately, what Alliance Quebec and others are doing about Meech Lake just repels the majority of Québécois, who at first were in favour of multilingual signs and who have had to take a harder line against them and want to maintain unilingual signs. I now wonder whether it would be better for the provinces to reject Meech Lake, because the way things are going, if my children some day want to say yes to independence, it would be preferable for English Canada to say no to Quebec's joining the Constitution, because then we could say that the first time, the Constitution was imposed and the second time, English Canada rejected us. We could go to the United Nations and say that we were separating, that we had nothing to do with that country, that we had tried everything.

I am talking to you as I would to an ordinary citizen. My way of talking may not be correct, but I think that I am expressing here the opinion of a majority of Francophone Quebecers who for years and years had to submit and they do not want to anymore. We want to have our own place. We want to have our place and the assurance that Quebec will be French, that my children will continue to want to work in French and I would hope that I can work only in French in Canada and be accepted and I would hope that my children can continue

to do the same, that they will not need to think of separating.

But I say to all those who are afraid of Meech Lake, who are afraid of the distinct society, that it is necessary if they really want Canadian unity and if they want Quebec to remain in Canada. I often had conversations with Mr. Trudeau. I understand him, his style; he does not need the distinct society. He can go anywhere in the world and that is fine.

But such is not the case for each man and woman in Québec. Before the people of Québec can feel at ease and at home in this country. . . because a visit to Ottawa will not convince them that they are in their own country. Some of the commissionaires do not speak a word of French, and some of the restaurant waiters and waitresses do not speak a word of French, so better not try to tell the people of Lac-Saint-Jean that this beautiful country is bilingual. And in the national capital to boot! If you go to Winnipeg, Edmonton or even further west people over there wonder what Francophones eat in winter! Québecers want to remain in Canada, but they want the Constitution to make English Canada accept them as they are. We fought against separatism in Québec because at the time—I was right here—Pierre Elliott Trudeau assured us that the Constitution would be changed and that Québec would be understood. Unfortunately, I must say that Pierre Elliott Trudeau and other English-speaking Canadians still do not understand Québec's majority as it is. And if in two or three years. . . Perhaps the Meech Lake Accord is dead right now because of the stubborness of two or three provinces.

Honestly, Québecers will not insist all that much on having Meech Lake, but Canada will lose Québec because we can continue to function. Legally we belong to the Constitution and the day we decide to pull out we will be able to do so politically because we have always sought to survive on our own and not depend on others. But English Canada stands to lose more if it continues to be inflexible and refuses to acknowledge the distinct character. People say: We want Québec in Confederation, we want Québec to promote the French fact, but every time Québec does something to protect the French fact it becomes the target of criticism.

I spoke against Bill 178 because I did not agree when Mr. Bourassa granted what is called multilingual signs inside stores.

I can understand that English-speaking people were "offended", because Mr. Bourassa was wrong when he said: Listen, outside the stores, I cannot authorize the use of signs in languages other than English, because the ban does not apply only to English signs, but also to Chinese, Japanese, Polish, and other languages. However, I cannot stop you from using English signs inside your establishments. I can relate to the English-speaking people who were "offended" by Mr. Bourassa's behaviour. He should have said: As a result ot the Supreme Court decision. . . But we must not forget that, it was as a result of the Supreme Court decision which acknowledged that French was being threatened in the province of Quebec, that the Quebec provincial government used the notwithstanding clause which had been included in the Constitution by a Liberal government. So, Quebec cannot be accused of stealing anything, or of inventing a new strategy.

Mr. Speaker, I know that my time is up. I do hope that the people in English Canada, and maybe even some politicians, whether they be Conservative, New-Democrat, or Liberal, who proclaim out loud that they want Quebec in the Constitution while in fact hiding their true feelings, will come to see, after hearing my speech, the other side of the coin, the point of view of a Quebecer, an ordinary French-speaking citizen of Quebec. And I think that I speak for 60 per cent of all French-speaking Quebecers who agree with me.

• (1610)

[*English*]

Mrs. Dobbie: Mr. Speaker, I have a great deal of empathy for much of what the Hon. Member said today and I apologize for my inability to speak to him in his language. I am working on that.

However, will the Hon. Member explain to the House and Canadians why the greatest opposition to the Meech Lake Accord in the Province of Manitoba is coming from his colleague, the Leader of the Liberal Opposition in Manitoba?

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to tell the Hon. Member that it does not only come from a Liberal colleague; it comes from NDPers, Conservatives and

Manitobans. Perhaps what they want in Manitoba is to get even for the CF-18 maintenance, something that should not be considered. Maybe some people are getting involved because they lost the contract that Montreal got. I must say that their own Premier bungled it. He gave the impression that Quebecers stole the CF-18 maintenance contract rather than earned it. But I have the feeling that it is not only. . . If it were only one person on the Liberal side, we could take care of that. But I think that if you are sincere, if you travel around your region, in your area, and I have already been there, people, be they Tories, Liberals, New Democrats or Greens, have the same perception. They are against Meech Lake because they do not want Quebec to be a distinct society within this country.

[*English*]

Mr. Friesen: Mr. Speaker, what the Hon. Member says may be correct, but I think he will agree that the leadership in opposition to Meech Lake in Manitoba has been Mrs. Carstairs. Would he confirm that? Would it not make a difference in the chemistry in Manitoba if Mrs. Carstairs would support Meech Lake?

[*Translation*]

Mr. Malépart: Mr. Speaker, first of all, when someone has leadership, the Leader of the Opposition does not move things forward; the Conservative Prime Minister does. If he had backbone, if he had courage, he would have moved things forward. I think that Pierre Elliott Trudeau could be blamed for a lot of things, but he always had the courage of his convictions. You could be for him or against him, but you respected that man because he was capable. If you have influence with your Prime Minister, if he is a Conservative Prime Minister with courage, he will take charge and lead proceedings in the House and not let the Opposition guide him. Otherwise, it would be better for him to resign and turn power over to others.

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to have this opportunity to rise today and join in the debate on the Throne Speech. I appreciate that the Throne Speech touches on many issues, economic and social.

In my capacity as Minister of Justice, I want to address the justice matters referred to in the Throne Speech, one briefly, and another in some depth. The part I wish to address briefly is that comment in the Speech from the Throne:

> My government will introduce further legislation to reform Canada's legal system and sentencing practices.

There have been a number of reports and studies to look into the question of criminal sentencing. There is the Canadian Sentencing Commission's Report and the Report of the Standing Committee on Justice and Solicitor General which was entitled "Taking Responsibility". I intend to work to determine the status of the various reports, to establish some focus and, from there, put together with my Cabinet colleagues a Government initiative on sentencing which will focus on the need to address the unwarranted disparities which occur in sentences in Canada.

Specifically today, I want to refer to the reference in the Speech from the Throne which states:

> This will require a review of the current Young Offenders Act in order to ensure that it better protects the rights of society while advancing the rehabilitation of young offenders.

In the time available to me I want to examine the history of the Young Offenders Act, to review the difficulties, whether they are real or imagined, and to stake out our position as a Government and review the proposed course of action.

The House will know that the Juvenile Delinquents Act which governed juvenile justice from 1908 to 1984 had become ineffective and inappropriate. The Juvenile Delinquents Act was based on one clear and simple goal, and that was that juvenile offenders should be treated not as criminals but as children needing encouragement, assistance and guidance. Quite frankly, it became out of date.

It was revised by the previous Government and because of some criticisms I think it is fair that we review those briefly.

First, although the police, the courts and social welfare institutions were expected to act in the best interests of the child there was no expressed recognition in the legislation of the principle of protection of society. There was an imbalance between the interests of individual juveniles and the interests of society.

It stated that adolescents should be responsible for their actions and should be held criminally accountable if guilty of offences. The simple transfer of adolescents to the authority of child welfare authorities was not appropriate.

Closed courts denied the public and the media access. The age level at which juvenile delinquents would become subject to the adult court system varied from province to province. Finally, young people were denied fundamental rights which were enjoyed by adults.

The Act was passed by the previous Government and I would say at this point that it had all-Party support. Its two main objectives are to ensure protection of the public and to promote the rehabilitation of young people wherever possible. It is based upon four key principles which attempt to strike that balance between the needs of young people and the interests of society. The first principle is that young people are responsible for their behavior and should be held accountable in a manner appropriate to their age and maturity. Second, society has a right to protection from illegal behavior and a responsibility to prevent criminal conduct by young people as well as an obligation to promote their rehabilitation. Third, young people have special needs because of their varying levels of development and maturity. The fourth principle is that young people, if they are to be held accountable, are entitled to the same rights as adults, to due process of law and fair and equal treatment in accordance with the Charter of Rights and Freedoms.

• (1620)

To achieve the balance that the Young Offenders Act seeks, young people may require not only supervision, discipline and control but also guidance and assistance. For that reason, the Act provides alternative measures to the formal court process or perhaps no measures at all if the solution is consistent with the protection of society. In addition, the Act recognizes the responsibility of parents for the care and supervision of their children.

I should as an aside point out that I have discussed this with various officials at different levels and I was struck by the comment of one Crown Attorney who said to me that they see many more parents than they did under the Juvenile Delinquents Act because the Young Offenders Act puts an onus on the parents to be responsible for their children and they are seeing more parents in court. I think that is helpful.

The Act also says that young offenders should be removed from parental supervision only when that continued parental supervision is inappropriate. Parents will be encouraged and, if necessary, required to take an active part in proceedings that involve their children.

The Young Offenders Act is criminal law but it is different from the criminal law that applies to adults because of the doctrine of special needs. That doctrine says that the special needs of a young offender must be taken into account in determining the extent and the nature of the criminal law as distinct from or concurrent with interventions by the youth's family and by other systems such as child welfare, education or health.

As I mentioned a minute ago, when the Young Offenders Act was passed, it had broad parliamentary support. This is an issue that does cut across Party lines because there is no fundamental partisan or philosophical differences regarding young offenders. We all want to achieve that balance between protecting public property and persons and rehabilitating young people. We do not want young people to make one mistake and then find that that is just the first of many.

It is fair to say that the implementation process was difficult, especially the implementation of a maximum age of 17 years inclusive. I do not think anyone should be surprised to find that, when replacing a law such as the Juvenile Delinquents Act which had been in existence for 74 years, there were some implementation problems.

In 1985, when the experience of the first year's implementation showed that there were some problems and some concerns, our Government, under the present Minister of National Health and Welfare (Mr. Beatty), consulted with the territories and the provinces and identified specific problems which were based on the legislation itself. Amendments were passed to address these problems. They did not affect the fundamental principle, but they worked out a lot of the glitches.

The Act has been in force for four years now, and what has happened? What is the real experience of the Act as opposed to a few isolated and perhaps sensationalized incidents? I think Hon. Members will be surprised by some of the comments I will make, because I will talk about the actual experience across Canada.

Notwithstanding the wide range of dispositions available in the legislation and the principle of least interference, it appears that more young people are being sent into custody. Second, the bulk of young offenders commit property-related offences. That comprises about two-thirds of the charges laid. We are finding that a significant number of young offenders enter and exit the system only once.

Only 9 per cent of the offences recorded under the Young Offenders Act are violent offences, and only a minute proportion of those refer to the charge of murder, less than one-twentieth of 1 per cent. Probation is the most common disposition rendered, although there is compensation, community work and similar orders. Detention for treatment is rarely ordered as a disposition.

That is the experience. What are the criticisms? It is interesting to note that some say that the Act is too tough and some say that it is too lenient. The major criticisms have been the treatment order provisions which require the consent of the young person, the fact that children under 12 are excluded from the reach of the criminal law, the sufficiency of the maximum sentence, especially for murder, and the difficulty of transfers to adult court for serious crimes because of the necessity to prove under Section 16 of the Act that the transfer is in the interests of society and, and I think the difficult world is "and", having regard to the needs of the young person. The last criticism is the increasing proportion of young persons being incarcerated.

We have identified these areas in consultation with the provinces and the territories, and we looked at areas where there was a consensus that action had to be taken. In January 1989, all the jurisdictions involved agreed that on an expedited basis the focus of the study should be narrowed to the transfer provisions and dispositions for youth who murder.

We expect that this review will be completed shortly. I have asked that the results be available for discussion at an early meeting of provincial Ministers concerned with juvenile justice, and I can assure Hon. Members that we will act if we can find some consensus. We are looking toward a meeting with the provincial Attorneys General which I believe is in early June in Prince Edward Island.

I want to make one point, if I may, *vis-a-vis* the current incidents that have been reported in the media. Many of them have occurred in the Province of Ontario. There has been a suggestion that these alleged deficiencies are as a result of the Young Offenders Act. I want to suggest that they may be the result of administrative difficulties rather than deficiencies in the Act.

To his credit, the Minister of Community and Social Services in Ontario, the Hon. John Sweeney, has ordered an investigation into possible administrative difficulties, and I have offered the co-operation of my Department in assisting him in those studies. If we can separate the administrative difficulties from those two items that I referred to, the transfer provisions and especially the sentence for the crime of murder, it would be helpful to try to understand who has the responsibility for what.

I would also point out that in the past the federal Government has cost-shared the delivery of juvenile justice services with the provinces and the territories. The original agreement was to cost-share the first five years and review the actual experience. That review is not completed yet, but I recently announced a one-year extension of the Young Offenders System Development Contribution Program and the Young Offenders Program Development Contribution Program in an effort to maintain that joint responsibility. We are cost-sharing to the tune of some $160 million per annum, and that will continue until we are able to reach some new agreements.

I just want to say in closing that I do not think it will ever be easy to draft a law for young people that will exactly suit every province in this vast country. There are different thoughts as to how young people should be treated. That is the way we are. It will never be easy to draft laws that balance protection of person and property with our concern that we rehabilitate young people so they are an asset to society and not a liability to society and themselves. That is the challenge we face.

• (1630)

We are attempting to meet that challenge in a non-partisan way. It is evident the rehabilitation of young people, the effective treatment of them and the protection of personal property, cut across Party lines.

I am here to take part in the Throne Speech debate specifically in order to show exactly where the Government of Canada is headed in respect to any amendments vis-a-vis this very important law.

Some Hon. Members: Hear, hear!

Mr. Robinson: I want to take this opportunity to congratulate the Minister on his appointment as Minister of Justice and Attorney General of Canada and to commend him on the approach he is taking on the very difficult and sensitive question of possible amendments to the Young Offenders Act. As one who was involved in

the drafting of the legislation and saw it through the Justice Committee, we as New Democrats recognize there have been difficulties. In some jurisdictions, too many people are being incarcerated. In others, we recognize there is a problem of two extremes in the area of murder. The community does recognize a concern that there is a disposition of three years in the case of youth court, or a life sentence with a minimum of 25 years if the young person is transferred to adult court. We want to look at some means of reducing that wide disparity in sentencing and give greater options to the judges. I want to offer my co-operation and that of my colleagues in trying to arrive at an equitable resolution of this difficult question.

In the 1986 Speech from the Throne, the Government promised amendments to the Canadian Human Rights Act. A number of concerns were expressed in this area. In the Speech from the Throne tabled on April 3 of this year, there was no reference whatsoever to changes to the Canadian Human Rights Act. In the annual report of the Canadian Human Rights Commission, serious concerns were expressed about the failure of the Government to bring forward long overdue amendments to the Canadian Human Rights Act. These amendments are in the areas of equal pay for work of equal value; reasonable accommodation, which affects religious minorities and the disabled; reporting directly to Parliament; and also expanding the prohibited grounds of discrimination to include political belief and sexual orientation.

On the question of sexual orientation, the Government promised over three years ago, and I quote from the Government's response to the Equality Rights Report:

> The Government will take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction.

Lesbians and gay men continue to be victims of discrimination. They are fired from their jobs and denied access to housing and services. They are subject to harassment, violence and even death, as we have recently seen in Montreal. My question for the Minister is, does the Government stand behind the promise that was made three years ago to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction?

When will the Government be bringing forward the long-overdue amendments to the Canadian Human Rights Act which have been promised for some time? Will it be in this session?

Mr. Lewis: I appreciate my hon. colleague's kind comments. I welcome his offer of assistance with respect to amendments to the Young Offenders Act.

We have been trying to balance our agenda vis-a-vis items such as the Young Offenders Act and other initiatives in the justice field. I am thinking in terms of sentencing, firearms legislation and abortion. The matter of amendments to the Human Rights Act are on the agenda. We are reviewing the human rights issues my hon. friend raised. We are looking at the current annual report which raised a number of new issues. We will be putting these issues together in the context of our legislative program.

Mr. Karygiannis: Mr. Speaker, I wish to commend the Minister for taking the initiative and putting forward in the Throne Speech that amendments to the Young Offenders Act will be put into place. However, I did not hear the Minister today reassure Members opposite that some measures will be put into place. The Minister said that 9 per cent of the crimes committed are violent crimes. He said he has real experience. I have worked on amendments to the Young Offenders Act. I have received the same kind of letters the Hon. Minister has received. If he is reading those letters, he will see the Canadian public expressing a need for change. Violent crimes such as murder need to be addressed.

Would the Minister say he will take positive steps and not side-step the issue? Will the Minister reassure this House that when the charge is murder and the young offender is over 14 years of age, that young offender will be transferred to adult court? Will the Minister also reassure this House he will reflect what the Canadian public wants, a maximum sentence to be increased from three years to five years less a day? Will the Minister reassure us that those will be the steps he will take after he meets with his colleagues in Prince Edward Island?

Mr. Lewis: I want to assure my hon. colleague that I read as many letters as I can to get a flavour of what people are thinking. That was my practice as a Member of Parliament and I have continued it as a Minister. I would state unequivocally that we are addressing the issue. Through the context of federal-provincial

meetings we are attempting to see if a problem in one province is a problem shared by the other provinces and Territories.

Our discussions have been narrowed down to two issues: (a) the transfer provisions which, when they are applied, do provide for a longer sentence than three years; and (b) the sentence for murder. I have given my undertaking to address that issue. I am doing everything I can from the standpoint of the federal Government. There was a consensus among all parties involved that those were the issues to be studied. I am pushing to get a resolution and consensus that I hope will be forthcoming in June. If we get that consensus, I will have some time in the summer to go back to my cabinet colleagues and see what amendments we can draft.

Mr. Deputy Speaker: The period for questions and comments has expired. I know the Hon. Member for Surrey—White Rock (Mr. Friesen) has been seeking the floor. Is there unanimous consent to allow him a short question?

Some Hon. Members: Agreed.

Mr. Friesen: I appreciate the courtesy of the House in granting me time for this question. I was a member of the Justice Committee that dealt with the Young Offenders Act. I appreciate the Minister's observation that more and more parents are involved in court proceedings. That gives us encouragement that they are becoming more involved in their children's lives. I know there are many parents across Canada who have incorrigible children, and it is not the fault of the parents. It is simply that the children are incorrigible.

• (1640)

At the time we were dealing with the legislation and dealing with the clause that outlines the purposes of the Bill, and there were approximately eight of them. The last one, the eighth, was listed as working with the parents or giving parental responsibility for the conduct of the children.

The then Solicitor General, the Member for York Centre, found it impossible to accommodate a simple change that would have put clause No. 8 to clause No. 1. This would have given more direct focus to parental responsibility. I do not believe that it was a monumental request to ask for that type of change of simply moving the order of priorities. I believe it was a mistake not to do that.

I would ask the Minister, given the fact that the legislation already gives focus to that and the fact that parents seem to have found help in the Young Offenders legislation in working with their children, if he would assure us that in the amendments to come there will be an even greater focus on parental accountability and parents' right to work with the courts to ensure that young offenders are held accountable?

Mr. Lewis: I thank my friend for his question. I guess in spelling out principles one has to number them and place them in a certain order. I was not a member of the committee when it was studied, and I cannot give the Hon. Member any focus as to how I might have rearranged the responsibilities.

It is interesting that the one aside I used in my prepared text was to speak of a Crown Attorney who told me that they were seeing more parents coming to court. It is partly a policing matter and partly more effective work by the provinces in looking for new ways of dealing with rehabilitation.

I can say to my hon. friend that I do not believe it has been the thrust of a lot of demands by various provinces and the Territories for an amendment which would rearrange the principles and perhaps give a higher priority, if in fact listing does give a priority to the comment my hon. friend makes, but I will take it under advisement.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I bring you greetings from the unofficial rump of the Government. Although we are only 18 strong, we represent significant strength and support for our fellow members on your right. Our comfort level is high as our view is much better from here than is theirs.

It is an honour and privilege for me to rise in the House and take part in the Throne Speech debate. It is certainly a source of great pride being the first Member from Regina to be elected to the Government in 26 years, especially coming during such an historic election campaign.

On November 21, Canadians decided which direction the country would take, not only for the next four years but into the 21st Century. Canadians chose a Government with a vision for the future and rejected the closed isolationist view of Canada put forward by the opposition parties.

Canadians elected a Government committed to building a stronger economy so that we can afford to maintain the type of caring and compassionate society that we now enjoy. We are committed to the enhancement and protection of our environment. We remain committed to the promotion of national unity, not only between English and French, but among all peoples who make up the multicultural mosaic of Canada.

Canadians correctly believed that the Progressive Conservative Party possessed the type of leader it takes to steer our country through difficult times. They saw a leader who had overcome adversity and not lost sight of his dream to build a better Canada, a leader with the integrity, determination and courage to fight and win an election against two opposition parties. The Prime Minister (Mr. Mulroney) showed us what it takes to move this country forward. Canadians chose a leader and a Party capable of adapting to the future.

My Leader and my Party are positive about the future of this country. That is why the Speech from the Throne confidently states our objectives and commitments. Unlike some opposition Members, I know that Canada remains a sovereign nation. As Canadians, we would not have it any other way.

We have entered into a trading agreement with the United States that will make Canada stronger and more competitive, and it is this strength that nurtures our sovereignty. I ask Members opposite to join with the Conservatives and the Ontario Liberals in supporting the Free Trade Agreement. It is time to stop fighting the election and get on with building a better Canada. Even the Liberals must realize that blaming every sparrow that falls on the Free Trade Agreement is divisive and counterproductive for this great country that we all share. Surely that is not their objective.

By accepting free trade we have acknowledged the need to compete in a global market-place. This is not a new idea to those of us from the prairies. Saskatchewan farmers have always competed internationally, and they have and will continue to be successful because they are extremely good at what they do.

It is not freer trade that hurts the farmer; it is protectionism and unfair trading practices. It is also protectionism which hurts the development of manufacturing and secondary processing in Saskatchewan and in Canada.

Of course, I have no illusions about members of the New Democratic Party's approach to free trade, or anything else for that matter. As if their ideological approach to the future were not already made clear enough during the election, the leader of the NDP restated it on April 7 in this House when he said: "We are going to oppose with determined vigour every Bill that flows out of this Throne Speech and every Budget item that will come in the weeks ahead", for no specific reason other than opposition.

It does not matter what will come from the Throne Speech or the Budget, members of the New Democratic Party already know they must be against it. Perhaps things will change in November, but I rather doubt it. Members of the NDP will oppose any new initiative. It is not surprising they oppose the Government's new labour force strategy.

As was stated earlier in the House today, it is because the NDP is an old Party with old socialist ideas that even socialist countries today are rejecting them. I am sure that the additional $350 million for job training under Section 26 of the Unemployment Insurance Act, enough to train an addition 60,000 Canadians, will be opposed. It is of interest to note how the New Democratic Party can selectively make use of information to suit its purposes in opposition.

In the House, Members of that Party have been known not only to criticize actions of the federal Government, but also be critical of members of provincial Governments who are unable to defend themselves here.

Criticism was levelled the other day at the Saskatchewan Conservatives. The comparison was made that while under an NDP Government in Saskatchewan, Saskatchewan enjoyed a balanced budget, more social programs and lower taxes. Parts of the statement are true, while other parts are based on a jaundiced form of judgment.

This criticism is not honest in that it makes no reference to the fact that at the time the provincial Conservatives took office, world oil, uranium, and potash prices plummeted. As we all know, Saskatchewan has been victimized by drought. The recession caused the Government of Saskatchewan to invest in job creation programs and technology investment, not the least of which is an $850 million investment in Canada's first heavy oil upgrader in Regina.

At that time the greatest tragedy attributable to the NDP Government in Saskatchewan was that when the provincial Conservatives took office in 1982, the cupboard of the provincial heritage fund was bare. The mice had taken it all. The explanation was that 50 per cent of Saskatchewan's potash industry was to be nationalized for the benefit of future generations. Members of the Saskatchewan NDP went down to New York for a loan. How can a U.S. loan, borrowed when the dollar was in the mid-80 cent range and attempted to be repaid when the dollar was in the mid-70 cent range, benefit Saskatchewan's future generations? Shortly after, world potash prices fell. Instead of owning an asset, Saskatchewan residents found themselves as the owners of a liability.

During the same period, the Alberta Conservatives chose to tax the mining of Alberta resources and not socialize them under the pretext of ownership. History shows the Alberta approach to have been a monumentally better decision for the average Albertan.

The Alberta Heritage Trust Fund has been used to allow Alberta municipalities to pay off large amounts of debt, and to pay for a large portion of the light rail transit systems in Edmonton and Calgary. As well, there is a long list for the average Albertan to benefit from.

No, Mr. Speaker, Members of the NDP do not possess a better way. They have no magic formula. A provincial NDP cabinet minister once conveyed to me a most honest statement. He said words to the effect that he wished people would stop asking the Government to do things for them. He went on to say that what people do not realize is that the more a Government is involved in our lives, the more of our freedoms we stand to lose. This was an honest admission that he detested his Party's basic philosophy. This man has since retired and I have not heard from him politically since. No wonder.

I want no part of a socialist entrapment. Socialists thrive on the takeover of the body; socialists excel at the takeover of the mind. That is the illness of socialism, and I want no part of it. My grandparents came to this country to be free people and it is under this Conservative Government that we will all continue to be free.

• (1650)

We cannot spend our time trying to please the NDP. We must continue to work for the people of Canada. They are the ones for whom we are all here. That is why the Minister of Employment and Immigration (Mrs. McDougall) has announced her intention to revise the maternity, parental and sickness benefits under the Unemployment Insurance Act.

Currently, maternity benefits are available to natural mothers only for a period of 15 weeks. With these new changes a total of 30 weeks will be available. Parental benefits will soon be accessible to fathers as well as mothers, whether they be natural or adoptive parents. This will bring the Act in line with the Canadian Charter of Rights and Freedoms. It is this kind of action that Canadians want and expect from the Government. So they should.

By developing a human resources development strategy the Government is investing in our strongest asset, our people. We are helping people adapt to a changing environment. It is the type of initiative that will prepare Canadians for the challenges that lie ahead. It is a recognition by this Government that it has a major role to play in maintaining the competitiveness of Canadians, and that skill development is crucial to competitiveness. That is why we remain committed to our initiatives in literacy, education, training and retraining. Our workforce, especially our youth, must meet the requirements of a modern economy. Through the expansion of labour force programs to encourage the continual upgrading of skills, we will maintain a stronger productive workforce, world class and world competitive. These are initiatives aimed at the average Canadian, designed to ensure that the average Canadian will benefit fully from a Canadian economy prepared for the pressures of the new global reality.

As we have in the past, we will ensure that Canada's first Canadians continue to make progress toward economic equality. In 1988-89, some 15,000 native people will receive close to $130 million in federal assistance for post-secondary education. I am confident that the Budget will continue to increase in the future, as it has over the past two years.

It is necessary to make sure that all Canadians share in the benefits of economic success, no matter what part of Canada they live in. That is why we remain committed to regional development throughout the country. The

Prime Minister (Mr. Mulroney) announced that the regional economic diversification programs will continue to be funded for an additional five years, to support the efforts of Canadians in expanding beyond our traditional areas of strength. I know that in Saskatchewan we are taking advantage of the federal support to bring to life the ideas that lie at the root of all new economic expansions. We have always been proud of the ingenuity and the pioneering spirit which built our province. We are using those same qualities today to create new industries and therefore new opportunity. I know that the people of Saskatchewan can succeed in their effort to build a stronger and more vibrant economy. I am pleased to be part of the federal Government that will continue to work with us as we strive to achieve our goal.

Yet, as we work to create the kind of rich, varied economy that will bring a better life for all Canadians, there is a burden we must carry that impedes our progress. That burden is the massive national debt. There are those who would try to convince us that the debt is not a serious matter, that other priorities must come first, as if the debt did not intrude on every area of Government decision making. The fact is, the debt is slowly strangling our ability to deal effectively with the needs of Canadians.

It is not the kind of problem that can be casually cast aside and forgotten about. We must deal with it now. Despite our progress over the last four years in reducing the yearly deficits by some $10 billion more is required. I am afraid much more.

The debt is so large that it is almost beyond comprehension. The numbers have been repeated so often that they are becoming meaningless. Surely, though, when we reach the point that 31 cents out of every dollar the Government spends goes to servicing the debt it is time to act decisively and to act together.

Arguments are tossed back and forth as to who is to blame for the state we find ourselves in today. But that is seemingly insignificant. We must either begin to solve the problem or soon control will be lost. And when I say we, I again urge the support of the opposition Parties. I invite real criticism but please do not bother me with useless rhetorical opposition. The debt is our problem. It is Canada's problem. Given the proper attitude, it can be addressed.

Regrettably, debt problems are not new to the agricultural sector in Saskatchewan. The combination of drought and the international agricultural trade war have taken a heavy toll. But the Progressive Conservative Government has been there to support our farmers and have thus supported our consumers. There may have only been a brief mention about farmers in the Throne Speech, but this is a Government that believes in actions not words.

Between 1984 and August of 1988, this federal Government provided $10.3 billion in agricultural benefits to farmers. We have responded to the needs of farmers in the past and we will continue to do so. The Canadian Crop Drought Assistance Program will put approximately $850 million into the pockets of Canadian agricultural producers. The assistance to farmers is much more than drought relief. We are active in developing the rural infrastructure through the Rural Water Development Program. The $500,000 capital gains exemption for farmers and the farm fuel tax rebate are initiatives which highlight our ongoing support for the farmer. We have worked tirelessly on behalf of the agricultural community on the international scene. Through our involvement in the Cairns Group we have lobbied for the kind of international trading rules that will allow our farmers to develop their competitive advantage. In Saskatchewan we have some of the best agricultural producers in the world. Our Government will continue to support them through concrete actions as they have in the past.

Mr. Speaker, our international role is not limited to economic matters. We will continue, as we have in the past, to take a strong stand in defence of human rights. Only the constant vigil of the free nations of the world and the weight of world public opinion can bring true freedom to the victims of oppression. In many parts of the world people suffer under the oppression of war. Canada remains committed to working with the United Nations as peacekeepers to help end this suffering, to do our best to relieve the pain of famine and other natural disasters.

We have a role to play in encouraging East-West co-operation while remembering that we are firmly committed to our allies in NATO. It is important to remember our historical ties with Western Europe, especially now when there is so much hope for change in the Soviet Union. We must do what we can to encourage these positive developments, but not at the expense of losing touch with the real situation. There is a long road to travel before the Soviet Union becomes a truly free society. Until that time we must remain vigilant.

Mr. Speaker, I have only mentioned a few of the areas in which the Government can act over the next four years. Judging from our past record, I am sure we will accomplish a great deal in many other areas as well. The agenda of the government is clear and confident. Our resolve is firm. I believe we will continue to move this country forward by working in the national interest.

Mr. Deputy Speaker: The Hon. Member for Winnipeg Transcona (Mr. Blaikie) on questions and comments.

Mr. Blaikie: I would like to begin by congratulating the Hon. Member for Regina—Wascana (Mr. Schneider) on his speech, but my congratulations end there. The Member spent a great deal of time talking about the NDP. We are grateful for the attention but it certainly is an indication to us who the Hon. Member regards as the force to be reckoned with in Regina and Saskatchewan. The Hon. Member, we know, is an old partisan of Saskatchewan politics, being a former mayor of Regina, if I remember correctly.

He mentioned that this is the first time in 26 years the people of Regina had elected a Conservative and, after listening to his speech, my colleagues and I are comforted to know this is something that will indeed be something which will only happen every 26 years. The people of Regina are entitled to make this mistake four times a century. It is not something they will do often, especially since the Hon. Member appears to be doing his best to ensure that that tradition will be upheld by distorting the political tradition which the NDP represents and which the Saskatchewan people hold dear.

I hope the Hon. Member goes on ranting and raving the way he did this afternoon, because I am sure this is the kind of thing which will only ensure that very shortly in the Province of Saskatchewan there will once again be an NDP Government.

The Hon. Member mentioned changes to the unemployment insurance. I am thankful he did that because it gives me the opportunity to speak about a change I would like to see to the unemployment insurance, a change which I am trying to promote through the introduction of a Private Member's Motion, which was not drawn unfortunately. I wonder what the Hon. Member's opinion would be of the change I would like to see happen, in addition to some of the positive changes that were made. We in this House think the changes the Government have proposed are on balance a disaster but there nevertheless has been some changes that we approve of which the Member mentioned. I wonder why there was not any action with respect to the concern that a great many people have concerning the UI regulations and parents who have children who are terminally ill, children who are in hospital and who have to be visited. Their parents have to be with them day in and day out in this very difficult time in the lives of these families. These are people who often have to leave their jobs. They are not entitled to unemployment insurance.

• (1700)

I have been lobbied in Winnipeg by groups of social workers and other people who work in hospitals in this situation to have a change made to the unemployment insurance scheme which would make allowance for parents who find themselves in this very painful and tragic situation. I was very disappointed that when the Minister had an opportunity to reform the UI system, and if she wanted to appeal to those who want to make the UI system more humane, this was not one of the other things that she undertook.

I wonder whether the Hon. Member would be prepared to get up to support that particular reform at this time.

Mr. Schneider: Mr. Speaker, I was heartened somewhat to notice that the Hon. Member way down at the other end of this side of the House made some reference to my ranting and raving. Obviously my statements excited him. I am extremely pleased to know that I could excite anyone down at that end of the room.

He is right. I was a mayor of Regina. He made reference to old, but only in terms of the fact that nine years of service was given by myself to my birthplace. He also made mention of the fact that I am familiar with partisan politics.

I must tell you, Mr. Speaker, that there seems to be a fair amount of criticism in Regina these days about the unfair comparison between taxes in Regina and Saskatoon. I would say that, yes, I did witness partisan politics for the greater period of the nine years I served there. The majority of my council, while ashamedly admitting they were all members of the New Democratic Party and had philosophies that way, did not admit it during election time. After the election it came out and was truly born. Yes, I am familiar with partisan politics. I watched them for several years.

I am somewhat disturbed that he counters my claims of distortion with claims of distortion and hence the public is left to sit back in judgment and wonder who to believe.

He mentioned the changes to the Unemployment Insurance Act to which I made reference and how glad he was that I had raised it because it gave him an opportunity. I consider that to be somewhat of a weak attempt to talk about anything that any Member wishes to talk about at any time, given the fact that the Throne Speech kept itself open to everything. I am glad he is glad about something.

With respect to his specific point, however, I think that it would be pure folly for any intelligent being to give a yes or no answer to effecting any change of government policy, proposed or otherwise, without having the full opportunity to have an open and intelligent debate leading thereto.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am pleased to have the opportunity to contribute to the debate on the Address in Reply to the Speech from the Throne. I see that the Right Hon. the Secretary of State for External Affairs (Mr. Clark) is in the House. I am glad about that because most of what I will have to say will pertain to the Government's foreign policy. Perhaps we can have an exchange or two after I am finished.

I would like to begin, though, as is the tradition, with saying how grateful I am to the constituents of the new riding of Winnipeg Transcona for having been re-elected. I will just say only this because we have so little time, and I want to give all my time to the Minister.

We know the origin of the name Winnipeg. But the name Transcona is the name of a railway town that was created in 1911 beside the new shops built for the Grand Trunk Pacific Railroad. Transcona literally derives itself from the notion of transconti- nental. Members will not be surprised, therefore, and have not been over the years, at the vehemence with which I defend transcontinental rail passenger service. It literally goes to the very heart and history of the community that I grew up in.

Mr. Boyer: So your continental.

Mr. Blaikie: The problem with this Government is that it no longer wants to be transcontinental; it wants to be continental in the north-south sense. However, I will not be distracted.

I would like to address myself to the foreign policy record of the Government. I begin by saying that the Minister knows that on a number of occasions we have had opportunity to co-operate on various issues, but I am going to be critical today because I think the Government deserves a great deal of criticism in a variety of ways.

We know that Canada was just elected to the Security Council of the United Nations. This makes Canada a very important country in the international community. We always have been an important country in the international community, but this gives concrete expression to that importance. It gives Canada a true opportunity to be a leader in the international community, particularly, of course, at the United Nations. It gives Canada the opportunity to be a strong voice for a great many things that need to happen in the world. So my intention here today is to reflect upon just what kind of voice Canada is in the world with respect to international affairs.

As I look over the range of issues which one could talk about I see that the Canadian voice ranges from being in some cases no voice at all to being a hypocritical voice, to being a timid voice, to being a cold war voice, to being a fading voice. I would like to go through all these if I have the time.

What is at stake here is the cumulative erosion of Canada's reputation in the world as a country that shows leadership, as a country that is able to help in many ways to bring about the kind of peace and development that so many Canadians desire for the planet that they live on.

Perhaps I will begin with what I am sure must be a sore spot, even though he cannot admit it, for the Secretary of State for External Affairs, that is, where Canada's voice has turned out to be a hypocritical voice. That of course has to do with South Africa and the fact that the Prime Minister (Mr. Mulroney) in 1985 stood up before the United Nations and in one of those rhetorical moments that the Prime Minister is so famous for said that if there was no progress toward the ending of apartheid in South Africa Canada would move toward comprehensive mandatory economic sanctions.

The world cheered, as did many Canadians. The Prime Minister basked in the glory of that statement for some time. He enjoyed a certain amount of political gain as a result of that statement. However, what has happened is that whatever gain accrued to the Prime Minister was achieved at the expense of Canada's international reputation. Now that the end of apartheid is no closer, that events in South Africa have arguably deteriorated in many respects since the Prime Minister made his statement, particularly with respect to the treatment of anti-apartheid activists in South Africa by the South African Government, and that the Canadian Government has not acted, Canada has been made to look a fool, literally, on the international stage.

I am sure that privately it must really irritate the Secretary of State for External Affairs to have to go around from conference to conference defending the hypocricy of one of his former arch-rivals in the political realm. I do not expect him to comment on that, but this is what I mean when I talk about a hypocritical voice.

When I say a timid voice I am referring to two areas, one in which I think the record of the Government is better than the other. I will start with the better one. It has to do with the Government's approach to Central America. I think the Minister has shown an openness to learning about Central America, appreciating what is going on there and appreciating the deficiencies of American policy in that area that is admirable. However, it has been a timid voice in this respect. The Minister, in the language of the Government, has not been willing to be as explicitly critical of American policy in that area as many people would want him to have been, particularly with respect to the funding of the Contras. Nevertheless, we are now moving to a point where it is conventional wisdom that the United States should no longer fund the invasion of Nicaragua by the Contras.

• (1710)

This is something that Canada could have said a long time ago if it were not so timid a country and if the Government had not been so timid. Could we not have helped that process along much earlier if we had been willing to say that? Having said that, I hope that the Government will try to continue to play the constructive role that it has in the peace process which has been encouraged by the Special Committee on the peace process. I know for instance that the Nicaraguan Government is interested in having Canada play a role in the months leading up to and including the election set for February, 1990. I hope that the Minister will be open to any way in which Canada can be part of the international presence at the Nicaraguan elections, so those elections can be beyond reproach and can be seen to be a legitimate part of the peace process.

I would encourage the Minister at the same time to consider enhancing development assistance to Nicaragua in order to alleviate the severe economic problems that are a result of the war, the embargo and various other things.

I spoke of a timid voice. I am thinking also of the Middle East, Mr. Speaker. Here was a case where the Government was more cautious than the cautious. It was a case of waiting until everyone else had faced up to the changes that had been wrought in the Middle East by the changes in PLO policies. We certainly encouraged the Government, before it did so, to take the steps that it did.

We often criticize the Government for wanting to be in lock-step with the United States on many issues, but here was a case where not only the U.S., but almost everyone else on the block had faced up to this reality, and yet Canada was the last to do so. This again made Canada look far too timid in its way of dealing with these serious regional conflicts.

I have talked about a hypocritical voice and a timid voice. Where there is no voice at all seems to be in NATO one of the various institutions that the Minister and his colleagues like to defend, particularly if they think it is advantageous to them to compare their position to the NDP.

What is the role of Canada within NATO, and when is the Minister going to give us some kind of a comprehensive explanation of what the Government's policy is with respect to the debates that are going on within NATO as to the modernization of nuclear weapons?

I read that the government is in favour of modernization of nuclear weapons. If that is true, I would like to hear what the explanation is and so would the Canadian people. So much is at stake in that debate as to whether or not the Lance missiles are going to be replaced, whether the progress made in the INF treaty is going to be endangered by that kind of modernization.

There are debates going on in NATO about the adoption of non-provocative defence or non-offensive defence. Where is Canada on this? Are we not part of the debate that is going on about how changes in Europe and east-west relations will be dealt with? Why do we have to be reduced to being a spectator? That is what I mean when I say that in this sense Canada has no voice.

Where we do have a voice it sounds like a cold war voice. There has been no repudiation of what was antiquated then, but what is even more antiquated now i.e. the rhetoric of the foreign policy paper of the Government. I believe it was called challenge and commitment or something like that. This was a document which was widely condemned at the time for being anachronistic, for belonging more to the 1950s than to the 1980s. As a result of events that have happened since then, both in the Soviet Union and in the west, the Government's cold war voice has become even less concerned with reality. Again we hear no updating of that.

I read the speeches that Mrs. Thatcher gave when Chairman Gorbachev came to London. The Government is in danger, in fact has been for some time of being to the right of Thatcher and to the right of Reagan in the last few months of his presidency. One wonders, are we simply waiting for Bush to make up his mind so that Canadians will know where they stand in respect of east-west relations. Or is this an opportunity for us to show some leadership in relationship with our allies instead of meekly assenting to whatever way the United States and NATO wants to use us, whether in the follow on Forces attack strategy which compels us to destroy the livelihood of the land of our Inuit people in Labrador through low-level flight testing or in testing the advance or Stealth Cruise missiles which many people contend could be used as a form of a first strike weapon and therefore is destabilizing? Why do we have to be such uncritical participants in all of this?

Finally, Mr. Speaker, I mention a fading voice. By a fading voice, I am talking about when the Budget comes down on April 27 and whether we will see a significant slashing of Canadian support for overseas development and assistance. This has been the jewel of Canadian foreign policy. It has not been as good as we would like to have seen it. There has never been the percentage of GNP in terms of spending that we would want, but certainly Canada has a reputation abroad of being a country committed to overseas development assistance. I can tell you that many people are very worried. We had the North-South Institute and the Canadian Council on International Co-operation expressing their concern yesterday. This really could be the straw that breaks the camel's back, Mr. Speaker.

In addition to all the things that I have talked about already where we choose to have no voice, choose to maintain the cold war voice and where we seem to have a hypocritical or timid voice, if our commitment to overseas development assistance is seen to be a fading voice, then the worries that many people have about the way Canada's international reputation is under attack, both because of sins of omission and commission on the part of this Government, will turn out to be true. I think it is a tragedy. In four years you can do some damage, but this Government has got another four years. Unless they change their ways, we will have had eight years of this kind of approach. By that time we will have gone a long way to changing the role of Canada in the world for the worse.

Well, Mr. Speaker, I am tempted to seek unanimous consent to go on and on, but I have a hunch I would not get it. The Member from Surrey—White Rock (Mr. Friesen) might give it to me because we gave it to him not long ago, but I cannot be sure of everyone else.

So I look forward to whatever the Minister might have to say. Perhaps we can carry on the debate.

Mr. Speaker: The Hon. Member for Calgary Northeast (Mr. Kindy) on a question or comment.

Mr. Kindy: Mr. Speaker, I would like to make a comment on the Government's Throne Speech and the Member's speech itself. In the Speech from the Throne, the Government mentions its commitment to NATO and mentions disarmament. I hope for world peace, the initial statement by the two superpowers to reduce nuclear armaments will continue, but we should always keep in mind that nuclear arms have acted as a deterrent for a third world war.

We should encourage President Gorbachev in his efforts to liberalize the Soviet system with perestroika and glasnost and expand our trade relations with countries as long as they respect human rights. Therefore we should reconfirm our commitment to the Helsinki Agreement on human rights and monitor those countries that don't adhere to it. We should applaud the fact that the Soviet Union removed itself from Afganistan. I hope that this soon will happen in Lebanon where we have foreign troops, Israeli and others occupying that country. On the Palestinian question, our Government makes no mention of the fact that Israel has occupied that part of the world for many years and there is a constant human rights violation there. We should con-

demn such action and be part of the world community that expresses its condemnation at the United Nations.

• (1720)

We should also press for an international peace conference on the Middle East issue so as to bring justice to the oppressed people of Palestine. I hope the Hon. Member who just spoke would comment on the Palestinian issue.

Mr. Blaikie: Mr. Speaker, I did comment on the Palestinian issue in the early part of my speech. We have supported the call for an international conference.

The Hon. Member quoted sentences from the Throne Speech in which the Government welcomed the progress between the superpowers. On the other hand he talked about the need to maintain a strong nuclear deterrent and so on. That is part of the problem. I believe we will not be able to respond adequately to the diplomatic initiatives, as well as others taken by the Soviet Union, if we do not show that we too are willing to change our way of thinking.

I agree that it is a difficult process to decide what action one should take and when, but I am very concerned that the West might be sending the wrong signal, that is, that it is not prepared to move and that it will be all give and no take. That is a concern.

The Hon. Member talked about the Soviet Union. I had an opportunity recently to be in Moscow with other parliamentarians for a Conference on Ecological Problems in the North. This is another area I would have dealt with had I the time. Environmental co-operation between Canada and the Soviet Union is another way in which we can begin to co-operate in the North and in other ways.

The whole question of the global environment is something that must be taken seriously. I got the impression that the Soviet Union is taking the problem seriously, possibly because serious environmental problems are coming home to roost there. I almost detected a sense of panic in their voice about the environment. Whatever sins we may have committed here, I have the feeling they have done some things I would rather not know about.

There is an opportunity for co-operation in the North and elsewhere that I hope will some day trivialize the differences we have had over the years. There is a need for planetary solidarity, a global human solidarity for the survival of us all. I suggest that that struggle for survival will make some of the divisions that we have experienced over the last 40 years seem quite trivial. I hope they will become trivial as changes take place in the Soviet Union and we respond intelligently to them, moving toward a world which is no longer divided between these two armed camps contemplating its destruction.

Mr. Clark (Yellowhead): Mr. Speaker, I was tempted to miss the opportunity for debate but I do not want to do that. I was interested by the one word to which the Hon. Member consistently referred. That was the word "voice". He characterized the role of Canada in the world as being related to our voice and how we express our voice.

Certainly I remember countless occasions on which he has urged me to use Canada's voice to condemn some situation or usually some Government, and usually the American Government. It is a challenge that we have to face if we are realistic about how Canada exercises its influence in the world.

Let us take Central America. It is my view that had I accepted his voice and the voice of his Party over the last couple of years, and had we used our influence to condemn the United States in Central America, that probably would have cost us the capacity to play the very constructive, albeit quite limited and specific role that Canada is able to play in moving that region toward a peace process.

We are there because we have some credentials. In order to maintain those credentials, very often one has to restrain one's voice. One cannot always raise it.

Canada has more to offer the world than advice. We have some very substantial capacities as a nation. We have demonstrated them over time. We have honed them. They are respected very generally, but we can waste them. We can waste them often if we prefer the luxury of expressing an opinion to the harder work of having an effect on actual events.

I have spoken of Central America. The question that is perhaps of the most division between us has to do with the role of Canada to our allies in the North Atlantic Treaty Organization and to the way we should seek to exert our influence on the changing situation in East–West relations. Obviously there are profound and important changes in the Soviet Union. Obviously, as has been demonstrated in Poland and is evident in Hungary and elsewhere, there are important changes in other East Bloc countries.

How do we best encourage those changes while respecting Canadian interests and the values and interests that people have lived and died for in this country and in the Western Alliance for a long time? We certainly cannot assume that *perestroika* has extended, for example, to the Soviet military. We certainly cannot ignore the continuing build–up in Soviet military preparation in the Kola Peninsula and elsewhere. We cannot be preoccupied with those sorts of things, but neither can we ignore them.

We cannot ignore the reality that the major agreement we have achieved on arms control has been achieved precisely because Canada and other western nations, other NATO nations stayed together to force the Soviet Union to come to negotiation on the INF.

What would have happened had Canada chosen the luxury of expressing a voice rather than being part of the NATO consensus that led to the INF Agreement? Had Canada split from the NATO alliance, would we have had the INF Agreement? I think the likelihood is that we would not.

Those are the kinds of decisions that Canadian policy makers have to confront, precisely because we have more influence in the world than simply a voice. I think the disagreement between the Hon. Member and myself—and I think it is a disagreement reflected in our two Parties—concerns whether we focus on expressing an opinion, which is easy, or whether we attempt the hard work of trying to effect actual changes in difficult complex situations.

Mr. Blaikie: Mr. Speaker, I am glad the Minister chose to comment. I will certainly try to reply.

We do have a difference of opinion, a difference of opinion with respect to the historical analysis of some of the issues to which he referred. I will begin with Central America.

I think it is a caricature of the argument to say that it is simply a choice between expressing an opinion which, according to the Minister is easy, and doing the quiet constructive work that the Minister always talks about. Sometimes expressing an opinion is a very difficult thing if the person or country one is expressing an opinion about will be unhappy with that opinion, as the Americans would have been if the Minister had chosen to express an opinion about the U.S. funding of Contras when we asked him to do so. If the Minister believes that would have been easy, I think he would have to reconsider his argument.

I suggest the reason he did not express an opinion at that time is that it would have been very difficult, not easy, but had we expressed that opinion earlier we may have been part of that group of countries which eventually caused the United States to rethink its position.

It was ultimately Oscar Arias of Costa Rica, which is much more dependent on U.S. aid than Canada, who was willing to say that the Contras should not be funded by the United States. Surely if Costa Rica could take such a step, dependent as it is on the United States, we could have done so. We are not that dependent on the United States yet, although we may be after the Free Trade Agreement has been in place for some time. However, we have that independence now and have not used it.

The Minister talks about East–West relations and says that we cannot ignore the reality of the build–up in the Kola Peninsula and so on. I am not asking him to do that. I am not asking him to ignore any reality but to be part of the new reality. We should take an active, conscious, intelligent debating role in that new reality. Instead the Minister is perceived to be simply a spectator to that debate. If that is a wrong perception, I hope he will show me how. Every time someone tries to engage in the debate, the Minister pours cold water on the debate by caricaturing the debate instead of entering into the very difficult arguments involved.

• (1730)

I am glad to see the Prime Minister (Mr. Mulroney) is here, a very unusual event, Mr. Speaker. I hope it was foreign policy that brought him into the House of Commons and some of my remarks about his hypocritical stance with respect to South Africa and the fact that he has made a fool of Canada on the world stage by saying one thing about South Africa and doing another or not doing what he said he would do if apartheid did not come to an end.

I welcome the Prime Minister's intervention in this debate. We could really have some fun if he would get to his feet.

Mr. Mulroney: Mr. Speaker, I want to thank my hon. friend for his kind reference to me. I am here because when I heard that he was speaking, I rushed down from my office.

I want to tell the Hon. Member to check *Hansard*. He will see that our good friend and his colleague, the Hon. Member for Regina—Lumsden (Mr. Benjamin), pointed out in *Hansard* some years ago, watching me come to the House of Commons, that he had been in the House since 1968 and that I was the first Prime Minister who came regularly to listen to him as I wanted to listen to my hon. friend. I just wanted to put that on the record in case my hon. friend wants to become less bellicose and more peaceful as the Secretary of State for External Affairs (Mr. Clark) and I are on these matters.

Mr. Blaikie: Mr. Speaker, do I get a chance to respond? You keep turning on the mike behind me. I do not want to turn my back on the House of Commons in order to speak.

The Prime Minister (Mr. Mulroney) referred to a remark made by the Hon. Member for Regina—Lumsden (Mr. Benjamin), a remark he probably made when he was still the Hon. Member for Regina West. Being in the House is something that the Prime Minister should do more often. It is a habit that I thought he was falling away from.

If this is the beginning of re-engaging the House of Commons and being present for debates, I would submit that that is a welcome trend. It is about time that more Members were present in the House of Commons and that we did have real debates between each other and not proxy debates through *Hansard*. If the Prime Minister's presence here is an attempt to encourage that, then all the better, as far as I am concerned.

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I am pleased to to have this honour and opportunity to respond to the Speech from the Throne and to take part in the debate that has been going on this past number of days. I would also like at this time to thank those constituents I have represented for the past four years for the confidence they have placed in me again, as we look forward to another term of office, to represent the views and concerns of Canadians from western Canada.

The foundations of some of the initiatives outlined in the Throne Speech were established during the Thirty-third Parliament. One of those was building a stronger economy. Canada has seen the creation of 1.4 million jobs since 1984. This country's economic indicators have led the way among western industrialized nations. Maintaining that economic performance is essential and it will not be easy in a competitive world with inflation and interest rates under pressure.

We are closely tied economically through liberalized trade and commerce between nations. That is a fact of life in today's world. There is no doubt that events taking place in our global economy have an immediate effect on Canada. An example of that effect, which affects us all and certainly those in my constituency of Medicine Hat, is world energy prices. A movement of one dollar up or down results in a change of $150 million in income in the Province of Alberta and that has a ripple effect throughout that economy and that of all Canada.

As a result of the agricultural trade war, primarily between the United States and the EEC, we have seen grain prices halved in some cases. Several years of drought have exacerbated the situation in western Canada. No Government can offset the damage caused by droughts and by volatile world oil prices, but in the past four years this Government has implemented programs that have certainly helped, and they have helped a lot. There has been over $10 billion in assistance to agriculture in the last four years.

I have been involved in agriculture all of my life and I have seen droughts before. I do not recall a special grain program in the past. I do not remember a $1 billion drought package. The outlook is a little better this spring. Conditions relating to that drought still linger on. I hope it does start to rain, not so much for me but for my little grandson who will be four this fall. He has never seen rain out there before.

I would be the first to acknowledge that we have to continue to work toward some long-term agricultural policies. We have done a number of things, including tripartite stabilization programs and improvements to grain stabilization where modifications have been made. New programs and initiatives have to be carried out, they have to be voluntary and they have to be actuarially sound. I think the Grains 2000 option is something that is well worth consideration.

What concerns me, and I am sure most Canadians, is how we maintain let alone improve existing programs and social policies if we do not address the greatest impediment to our future, Canada's national debt. Like many of us sitting here, I have heard all the statistics, I have listened to the debate about our national debt, about when it got started, about how it grew, about whose fault it was. There has even been some pointed remarks about who fathered it. I do not think it matters at this point who fathered the debt, but somebody has to look after the baby.

A lot of things could have been done and should have been done. In 1978, the national debt was around $60 billion. It may be just a coincidence, but that is roughly the amount of funding that came out of western Canada as a result of the National Energy Program. I think many things could have been done with the debt at that time. Unfortunately, we cannot make hindsight retroactive.

As we discuss who is to blame, the debt continues to grow and we all have a share in it. That includes everyone in this House and each Canadian every one of us represents. We constantly hear complaints about someone not getting their fair share. Provinces do not get their fair share, special interest groups are not looked after, your constituency gets more than mine. Believe me, we all have a piece of the action when it comes to sharing the national debt. Anyone who has given any serious thought to where this country is headed has to be concerned. My constituents of Medicine Hat are concerned and I am sure Members on both sides of the House are hearing the same concerns.

Since 5.40 yesterday afternoon, this Government will have had to raise $88 million to pay for the interest on that debt. Since 4.40 today, the Government will have had to come up with $3.6 million. If you give me my allocation of time, Mr. Speaker, it will show that talk is not cheap. It will have cost all of us $1.2 million to service that debt.

Where does the money come from? I guess most of it comes from that 31 cents out of every tax dollar that each of us sends in to Revenue Canada. There are no simple or easy answers. We could get rid of the debt next week if every Canadian man, woman and child sent Revenue Canada a cheque for $12,300. If they sent $100 a month, it would pay the interest. I think there are two chances of that happening, one slim and one fat.

If, through some quirk of circumstance, Members on both sides of the House agree to freeze all spending at today's level, the interest payments alone would double the national debt by 1995. Do you think, Mr. Speaker, that the Members who will occupy this Chamber in 1995 will find the situation any easier to deal with than those of us who are here today? Eight years from now, unless the debt is reduced, the Government will be paying more interest than it currently collects from total personal income taxes from all Canadians.

Rising interest rates are one of the major concerns in my constituency. They add to the price of consumer goods, they cripple small business, they hurt agriculture, they make owning a home or maintaining a mortgage in many cases impossible. Many people remember and are still paying the bills for interest charges of the late 1970s when no effort was made to address the problem. The strength or weakness of our overall economy has an influence on interest rates. Inflation plays a major role. Monetary and economic policies beyond our borders are a factor.

• (1740)

The greatest stimulus to rising interest is our reluctance to come to grips with our national debt. We all know the best place to cut is some expensive federal program, Crown corporation or tax incentive, but let us make the cut where it does not affect me, my family, business, profession, or even my province. Let us have it anywhere else, but let us go for it. The present economic performance and the future economic potential of Canada cannot be sustained if this fiscal indulgence continues to grow.

One area I want to touch on from the Throne Speech is that of the environment. I have raised cattle most of my life. Like most people in that industry, I have developed a close appreciation and respect for environmental issues. You learn to survive and treat the short-grass area of western Canada's Palliser triangle with utmost respect. It is a harsh, unforgiving region for those who abuse it. This land is so fragile that the tracks left by the wagons of earlier settlers can still be seen today. The trails left by thousands of buffalo on their way to water holes still remain. The last signs of a people who took no more from the land than they needed and left it as they found it are still out there on those broad prairies in the form of circles of stone known as tepee rings.

Mother Nature and Father Time can be a fickle pair. They have their own laws; they make their own rules. They are not enforced by legislation nor are they enshrined in any constitution; but we break them at our peril, and the penalties are swift and harsh.

In a time of high technology, fax machines in our offices, mobile phones in our cars, satellites in space, perhaps we should remind ourselves that our very existence on this planet depends on a six-inch layer of topsoil, a little rain, the good Lord and the people who husband this fragile, productive and renewable natural resource. We cannot continue to treat it as we have been. To quote from the Speech from the Throne: "Canadians possess a unique sense of their relationship to the land, whose rich, vast diversity has shaped their values and experiences".

This Government can continue to produce the economic, cultural values that this country of ours has become renowned for. We must work together to make this happen. We are in a very difficult time.

I touched on two issues that are of concern. There are no doubt many more. Every Hon. Member in this House has a concern that affects those you represent. On a global scale, we have concerns with the Uruguay Round of GATT and the effects it will have. In the industry I represent, we need changes to the Meat Import Act so producers trading in the North American market are dealing with the same rules. We are not asking for favours. Canadians can be competitive with any producer or manufacturer in the world, provided they have the opportunity. Those of us in government must ensure that Canadians have the opportunity to bring out the best in themselves and their country.

I want to thank the House for its indulgence. I am confident the Throne Speech tabled the other day will lead the way for this Government to bring about the important changes needed in Canada for all of us and those we represent.

Some Hon. Members: Hear, hear!

Mr. Harvey (Edmonton East): I heard the Hon. Member mention the punitive link between the large federal debt and high interest rates. I do not have an economics degree, but I do have a memory. I remember the last time we had tremendously high interest rates was in the early 1980s. Those interest rates fell, right through to 1986 and 1987. This was a time when the federal debt was increasing. While interest rates were going one way, the deficit was going the other. Yet I am told that high debt means higher interest rates. Our experience in this country does not support that contention. On what basis does the Hon. Member attempt to draw that relationship?

Mr. Porter: I do not have a degree in economics either, but I have been in business all my life. I have attempted to make things work in the real world. I had to go to banks to borrow money. Do you know today that to put a pound of beef on an animal in a feedlot requires $35 in interest costs alone? Those costs are reflected right through the system. They are passed on to the buying public.

When a government pays the amount of interest we are experiencing today, it has a bearing on the overall picture. Other factors come into play, such as global economies and inflationary pressures. Canadians will have to pay for the large debt in increased taxes and cuts in services that Members opposite do not want to see. The more we pay, the less we spend in other areas. This puts pressure on monetary policy. If I have less to operate my business, the banker is more reluctant to lend money. Pressure on interest rates tends to rise because the banks know there is more risk out there. In time, this will put pressures on us.

I do not understand socialist monetary policies. I hope I never have to. I live about nine miles from the Saskatchewan border. I know what a socialist government has done there. I have noticed what it has done in British Columbia. I do not want my family living under those conditions.

I do appreciate your question. I believe the federal debt and the interest charges it incurs have put pressure on our monetary system.

• (1750)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to speak to the Throne Speech pronounced by the Governor General on April 3 when she opened the second session of the thirty-fourth Parliament of Canada. The Government, which of course prepared the speech, seems to have asked some unknown up in the attic of the Langevin Building, on the other side of Wellington, to write something which, as far we can see, is completely detached from the realities of this world and bears no relation to the needs of Canadians.

If the Prime Minister had just looked out the window on the other side, he would have been very much inspired by the people I have the honour to represent, the people of Ottawa—Vanier.

There is not a single Member in this House who has not visited my riding. They all know my riding. It is rather special. It is probably the only riding you can reach on foot in a few minutes and which offers good hotels, a convention centre, wonderful museums, an interesting market, courteous and smiling people, and, as in many other ridings, problems that are difficult to solve, because we also have our poor, our needy, our drug addicts, all those people who depend on us for their survival. I have two soup kitchens, Meals on wheels, I have two places where people can get some food, so-called food banks. It isn't easy for a society to admit that it has to dispense food in a country as rich, as full of resources, and as envied as ours.

Mr. Speaker, at the foot of Parliament Hill, just a five-minute walk away, mothers are looking for decent shelter for their children. There are the unemployed and senior citizens—there are 7,500 in my riding—senior citizens who had a difficult time, having experienced the Depression and two World Wars, and now, in many cases, depend on us today for their food and board. There are young people who have lost hope and are involved in drugs and prostitution. They are among the most disadvantaged in our society. They are the forgotten, the neglected Canadians.

Today, our social safety net, and more specifically, our unemployment insurance system, is increasingly at risk because it is in the hands of a Government that does not understand. In my riding they would say this is a Government without a heart.

In the Throne Speech, the Government claimed it wanted to improve the unemployment insurance program's, and I quote:

. . .effectiveness and its fairness.

Now that they have shown their true colours and have proposed their amendments, I cannot help wondering, quite sincerely: Who and what do they have in mind?

I know the number of jobless will increase, as the number of welfare recipients, which will in fact go up dramatically in the next few months. I also know that people will have to wait in line in front of the Sainte-Brigitte Center, in my riding, or in front of the soup kitchen and the Salvation Army where the poor seek haven, people who have no shelter, no place to sleep.

The government has not clearly defined its goals. They want, on the one hand, to tighten the rules in order to limit the number of workers eligible to UI benefits. Workers will have to work longer before becoming eligible and then they will receive fewer benefits. Unable to get unemployment insurance benefits, the jobless through no fault of theirs will wind up on welfare. As we know, Mr. Speaker, welfare services are a provincial responsibility. So, the government is in fact transfering to the provinces a difficult human problem instead of closely exmining it.

Moreover, the expenses incurred by the provinces for welfare will not appear on the balance-sheet of the federal government. Instead, its financial statements may show that they were successful in reducing the deficit. But in fact the public will be misguided because of a little game of hide and seek. The government is passing a problem on to the provinces when in fact they should have solved it since they have the means to do so, Mr. Speaker.

All in all, the taxpayers will not save a penny. Quite the opposite, since they will probably pay more with the federal tax the government has been promising. The Minister of Finance (Mr. Wilson) is travelling across the country, saying: 'You can expect a tax hike!" I even remember, Mr. Speaker, the fiscal reform he proposed, and the sales tax which will apply to almost all services.

In my riding, people are concerned because during the election we discussed those problems, they came up during door calls. Mr. Speaker, I can tell you that the proposed sales tax is a problem to them, because it is regressive. It applies to everyone regardless of income level. The poor will pay a sales tax just as the rich. Oh, there is to be income tax credits and sales tax credits, of course there will be a system in place! At home in Ottawa-Vanier, Mr. Speaker, I have people who are honest but do not always understand those forms sent by the Governement that must be filled to quality for all sorts of credits, all sorts of rebates. And often the poor are the losers, because the rich, bankers, businessmen will not hurt—they have accountants who prepare their tax returns. The poor will be the losers, Mr. Speaker, they will be penalized. Unfortunately, we have not yet the resources in place to help those people.

In my riding right now, that income tax return is so complex accountants who used to volunteer their services to help senior citizens prepare their returns are telling me this year: "We have no time." It is too complicated! Although they told us they were going to make it simpler for Canadians it is the opposite. They made things more complicated, Mr. Speaker. They finally discouraged those in my riding who used to help people who needed help, seniors who are entitled to income tax credits, the poor who are entitled to income tax credits, and many have-nots who, because they do not understand the documents and forms, do not fill them out and do not apply for credits.

Let me repeat that this Government is hardnosed, Mr. Speaker.

I think we are all aware of the problems, Mr. Speaker.

I see you are preparing to interrupt me. Mr. Speaker, if it were possible, I would like to resume tomorrow morning, as it is 6 p.m.

Mr. Deputy Speaker: A motion to adjourn the House under S.O. 38 is now deemed to have been moved and seconded.

It is therefore moved that this House now adjourn.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CHILD CARE—REQUEST FOR LEGISLATION—REQUEST FOR ACTION

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise pursuant to Standing Order 38 to revisit an issue which I raised in this place on April 4 last. I am talking, of course, about the issue of child care.

On that day I called upon the Minister of National Health and Welfare (Mr. Beatty) to introduce comprehensive child care legislation in order to address the critical situation that has arisen. It is a situation critical not just for families right across this country, but also critical for the child care profession in general. My concern stems from a reference that was made in the Speech from the Throne delivered by the Governor General in the other place, and its scant mention of the Government's commitment to child care.

The relevant passage reads as follows: "The Government remains committed to a national child care program". What is of great concern to all Canadians is what the Government truly means by a national child care program. Does this refer to Bill C-144 as it was tabled in the last Parliament? I devoutly hope not. The vast majority of Canadian child care workers and parent groups alike rejected most of the Government's proposals as laid out in that Bill.

I am particularly concerned that the views that were expressed by these groups, from Vancouver to my own riding of Halifax, will continue to go unnoticed and ignored. Even a cursory glance at some of this testimony will underline deeply the rationale behind the recommendations and proposals that all these groups put forward. I will deal with some of these proposals later.

First, I would like to paint a clearer picture of the current status of child care in Canada. Almost two million Canadian children need child care outside the home, some part time, some full time. Under the present system only 10 per cent of those two million children can be accommodated. A staggering number of parents look for such care in vain. The remaining 90 per cent of children who are in need of child care are either looked after by relatives, friends, or babysitters, or unlicensed caregivers, or they are simply left alone, the latch-key children that we hear so much about. These statistics are profoundly disturbing. In 1987 the percentage of children under the age of 13 in licensed child care in Canada was remarkably low.

Let me give a few examples based on 1987 figures provided by the National Council of Welfare. In Newfoundland, where there are currently 30,998 children under the age of 13, only 1,318 of these children are being cared for by licensed child care services. In other words, 96 per cent of Newfoundland children under the age of 13 cannot be accommodated, should the need arise. Similar figures are equally disturbing in my home Province of Nova Scotia, where there are 48,298 children under the age of 13, some 42,901 of whom do not enjoy the possibility of a licensed quality child care space.

In other words, 89 per cent of Nova Scotia's children under the age of 13 cannot expect the benefit of quality care if and when their primary caregiver must work outside the home. What this points to is a gaping child care crisis which will not be cured by vague promises and half-hearted commitments.

[*Translation*]

Our day-care centers are in a state of crisis. Last Friday, in Montreal, a great many of the 2 000 CNTU-affiliated workers of various day-care centers went on strike for a day to show how impatient and concerned they were about the present situation Mr. Speaker, an action plan or a bill is needed to meet the needs of day-care center operators and those of all Canadian families.

[*English*]

It is clear that we have a crisis on our hands and that we need immediate action to deal with it. In the few minutes that remain I would like to briefly describe how we find ourselves in this situation and, second, to offer some remedies and suggestions about how we might end the crisis if the political will exists. Sadly the Government's commitment to child care has been, to say the least, intermittent.

In March 1987, the Special Committee on Child Care tabled its final report. The Conservative majority within that committee called for more grants to parents through the tax system in what they called giving parents a greater choice. They simply did not realize, nor does it appear as if they realize now, that this was an inadequate and meaningless solution.

What is needed is more child care spaces. Nine months after the special parliamentary committee tabled its final report, the Government responded by announcing its national child care strategy, three components of which were the following: a $100 million child care special initiatives fund to promote research and development activities in child care, federal-provincial cost sharing arrangements which would increase the number of child care spaces over seven year, and a set of tax measures to increase the annual child care deduction from $2,000 to $4,000 annually.

Since the election the Government has had nearly five months to develop a national child care plan that would incorporate the suggestions and proposals put forward by many interest groups across Canada. After the Throne Speech the Minister of National Health and Welfare, when pressured to state his Government's commitment to a national child care program, responded by saying: "We are continuing to study the issue, but we have nothing to announce at the present time".

I know there are tens of thousands of families out there today who are wondering how long the Minister has to continue studying this matter which has been studied and analysed for years. When is the Government going to commit itself through legislation to a real national child care program that responds to the real needs of all Canadians. The solutions are there. What is left is for the decisions—

Mr. Deputy Speaker: Order, please. The Hon. Member's time has expired.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Today, Mr. Speaker, the first time I am called upon to reply as Parliamentary secretary to the Minister of National Health and Welfare, I want first of all to congragulate the Hon. Member for Halifax (Mrs. Clancy) on her being elected to this House on November 21, as well as her appointment as a Party critic on women issues. I am sure she must have been flabbergasted by the approach Liberal had taken to the day-care bill before the House adjourned.

I am sure that in her own riding, before the election, she must have found it absolutely horrible, because she is referring now to a crisis situation, and she might be right to do so; however, I should like to remind our audience that this crisis has been brought to a head by the attitude of a Liberal non-elected Senate who deliberately stopped this Bill before the election. She may say "Ah!" but that is the sad truth, Mr. Speaker.

Also, I urge the Hon. Member to be twice as vigilant, because the Minister of Employment and Immigration (Mrs. McDougall) has just announced a reform of the Unemployment Insurance scheme which will greatly help women, especially in the areas of maternity leave and training programs; and she knows as well as I do that Canadian women, those in my riding, in the province of Quebec and the city of Halifax, need training and re-training. If there are people in our society who need that, women do.

Since she is the critic on women's issues, I would also strongly urge her to contact the school board in her riding or in her province at Halifax. She might suggest that these school boards apply for funds, because money is available from the special project assistance fund for, among other things, helping schools set up day care facilities, as she said in her remarks.

For example, Mr. Speaker, I might mention that the Minister has just announced a grant of $80,391 to the Leeds—Grenville riding school boards to set up the kind of child care services which meet the needs of families in that area. Mr. Speaker, another grant of $120,645 has been awarded to Québec's *Association des services de garde en milieu scolaire* for a study. That is excellent. And then, Mr. Speaker, $422,207 to the Members of the Ottawa region for three assistance fund projects to help organizations find fresh solutions to the child care problem.

Nova Scotia therefore is also entitled to that money, and I would urge the Hon. Member to get in touch with the school boards in her riding and in her province and take full advantage of our Government's generous contribution under the Strategy. Above all, Mr. Speaker, she ought to appeal to the common sense of Senators so they will not unduly delay the legislative measures passed by the House, legitimately elected by Canadians.

• (1810)

[*English*]

AIR SAFETY—REVIEW BY DEPARTMENTAL AUDIT BRANCH—MINISTER'S INTENTIONS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on April 6, I asked the Minister of Transport (Mr. Bouchard) what preparations his Department made in anticipation of the removal of government controls in the airline industry.

The question was not answered by the Minister. I come here before you this evening, Mr. Speaker, in an attempt to receive an answer. I thank you for the opportunity to requestion the Minister on an issue that is vital to the air safety of travellers who use these facilities in Canada.

As you are aware, Mr. Speaker, the air corridors in our country are congested. The congestion causes safety problems around busy airports, airports where planes are headed especially during peak periods, airports such as Pearson International Airport.

The situation is not improving. It is deteriorating. The Minister refuses in the face of overwhelming evidence to do anything to change these unsafe conditions.

The major airlines of Canada because of deregulation have been able to create what is known as the hub–and–spoke concept, the hub being the major airport and the spokes being those arms that extend to smaller communities. Some of the spoke communities are communities such as Thunder Bay—Nipigon, the region which I represent, Sault Ste. Marie, Winnipeg, Dryden and Windsor, areas such as these that funnel their aircraft into Pearson.

Since Pearson is a major international airport the traffic is further congested because it is a recipient of many international flights, as well as many flights that generate in other areas in Canada. Pearson can be referred to, and often is, as a main hub in all of Canada.

What bothers me, and I know it bothers many other Canadians from smaller communities, is that this hub–and–spoke concept has deteriorated the quality of air travel in the country without the approval of most Canadians. If you book a flight, Mr. Speaker, to one of these centres I have mentioned through one of the two major airlines available to us, you stand a very good chance of ending up on an airline to which you have no contractual relationship. The plane is much smaller than expected. Even in Toronto one has to go outside the airport and across the tarmac in rain or snowy conditions and climb the steps to get on the airplane. This is very unsafe for our aged and handicapped people.

Although these airlines try to offer the services that the larger airlines offer, services such as beverage services, meals and luggage services, it is physically impossible for them to do this. In fact, many of these aircraft do not have any washrooms. If they do, there are not enough to facilitate the number of passengers on the aircraft.

I can go on and on about these deficiencies on these smaller airlines, but the thing that really hurts me and hurts most Canadians from rural Canada and smaller centres is the very fact that when we book on these flights we pay the very same price as we would pay on an airline that offers a more sophisticated service, especially if it is on one of the airlines in Canada or on the international scene that has a competitive route.

Airline travel in Canada for rural Canadians and Canadians from smaller centres has gone back at least 20 years. The responsibility for this falls directly on the shoulders of the present Government. Once again another institution of the country is sacrificed at the expense of rural and small town Canada.

What is of greater concern is the fact that most of these smaller airlines expanded operations or began operations as a result of deregulation or the operation of the hub-and-spoke concept. This leads me to the question I asked the Minister which he refused to answer. His own internal documents state that he lacked enough inspectors to protect the very safety of Canadians. The document states that regulatory reform of the domestic airline industry was introduced at a time when the Department possessed neither sufficient trained resources, the required planning and operational processes, nor the necessary enforcement capability required to monitor effectively and foster aviation industry compliance with established safety legislation, safety regulations and safety standards.

The Minister has failed to tell Canadians what he intends to do with respect to the safety of air travel in Canada. The Minister said in this House that decisions will be made without delay on the basis of air traffic safety. The air traffic situation is currently unsafe and getting worse. No measures thus far have improved the safety to the Canadian air traveller.

I ask my question again. When will the Minister address air safety with the urgency Canadians expects?

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I would like to begin by reiterating something the Minister has repeatedly stated both in this House and outside the House. Canadian skies are safe. To suggest otherwise is both reprehensible and irresponsible, and as such most unworthy of any Member of the House.

I also want to mention that I fly on those small airlines, those commuter feeder lines that serve many parts of the country. I feel very secure and safe because of the care, consideration and individual attention that they give to us as travellers when we are travelling so frequently across the country. I use them every week. I am very pleased that we have the commuter lines because they do provide a necessary service with a very small aircraft which carries often as few as 19 passengers.

On March 29, 1989, the Minister announced the appointment of Justice Estey to review the entire record of the Gander accident investigation with a view to advising the Minister on whether any further investigation or inquiry is warranted. The Minister also announced the appointment of Justice Moshansky to conduct a judicial inquiry into the Dryden accident. These measures were taken in response to the concerns raised about the Canadian Aviation Safety Board which has served to undermine the confidence of Canadians in the board.

In addition, the Minister has reintroduced and referred to the standing committee Bill C-2 an Act to establish the transportation accident investigation board.

Furthermore, while the Minister and his senior officials believe that the inspection resources of the Department of Transport are adequate to the present requirement, nevertheless, the Minister intends to avail himself of the expertise of both industry and government to assist him in ensuring that we have the right resources and that they are used in the right way in order to meet the changing needs of the future.

With specific reference to Lester B. Pearson Airport in Toronto, I would remind Hon. Members that Ministers have just completed two weeks of extensive consultations which will lead to the development of a comprehensive plan for the whole of the southern Ontario airspace. An announcement will be made in due course.

I would like to emphasize that while we do have a shortage of air traffic controllers at Toronto the traffic flow is always matched to the controllers' ability to safely handle the traffic. This means delays, not a decrease in the level of safety.

I would also like to assure Members and the travelling public that every conceivable effort is being made to rectify the shortage situation.

AGRICULTURE—DROUGHT ASSISTANCE COMPENSATION PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, I put a question to the Minister of State for Grains and Oilseeds (Mr. Mayer) on April 5, asking him if the Government was going to pay the amounts which it promised for drought assistance last November 10.

In that press release of last November 10, it said that it would pay $40 to $45 per acre of wheat in western Canada for the maximum drought damage per acre. In eastern Canada it said it would pay from $50 to $57 per acre where the total crop was lost for corn and soybeans.

The Minister announced some time after that that he was going to pay about 70 per cent in the interim payment.

Since the election is over it has gotten very fuzzy exactly whether it is still $40 or $45. Also, the total amount is fuzzy. I did an open-line show with the Minister of State for Grains and Oilseeds during the election campaign which was broadcast across Manitoba and Saskatchewan. At that time he said the $850 million was not a cap, that it was just a notional amount of what the Government thought it might be. If it was more than that, based on $40 or $45 per acre, then the Government would pay the extra amount.

More recently it has been very hard to pin the Government down. Is the $850 million a cap? Is it going to pay the full amount?

Thus I put a question to the Minister in this regard and his response was this: "The estimates that we talked about last fall stand exactly the same. Nothing has changed".

• (1820)

He did not say a maximum of $45 per acre in western Canada for wheat loss occurred. He did not say that they were going to pay up to $57 for corn in Ontario, as he said in his press release. It is a great concern that he said last fall that the interim payment was to be at 70 per cent. The interim payment in western Canada was only $12.

Maybe the Government is going to welsh on this deal. Maybe it is only going to pay $20 and say to the provinces, "you pick up half". There was a great kerfuffle. When the Minister announced the program, he said he was going to try to rope in the provinces, but he had not consulted with them. The provinces, even the Tory provinces, said they were not paying any of his campaign promises.

What we would like to get tonight from the Parliamentary Secretary is a clear, unequivocal statement that there is no cap at $850 million. It is going to be based on $40 or $45 maximum in the West and $57 in the East. We want it very clearly spelled out.

This has really been a bollix. They sent out application forms to some people and not to others. Why did they not send out an application to everybody with a Wheat Board quota book and allow individual farmers to make a statutory declaration of what their crop losses were? It could easily be checked against the crop insurance data. Instead they are saying "if you lose more than 15 per cent, then you get a certain percentage based on crop insurance data". However, they are not saying what that data is.

Is it based on the last five years? Is it based on the last 10 years for each township? That is not clear, so nobody knows really where they are. The whole system has really been bollixed.

The drought was last May, June and July. The loss of crop was last August and September. There is no money. Until now farmers have been getting $12 an acre in the West and $16 for the most severe in the East, and the rest comes in July. We do not know what that other amount is going to be.

The Parliamentary Secretary is one of the most outstanding soybean growers in southwestern Ontario, and he knows what his farmers feel about this. They want to know exactly what the deal is, what the amounts are and when they are going to be paid. I just hope that these matters will be cleared up because many farmers are confused.

I recall that our caucus met with the officials of the Department of Agriculture over a month ago. The Hon. Member for Prince Edward—Hastings (Mr. Vanclief) had a number of farmers, I believe a couple of dozen, who had not received an application form. He sent in their names for application forms, and they just starting to get them now. That is a month ago. According to the data which came out for the program, they had to file their applications by March 15. I think we met with the Department about three or four days before that. Many farmers had not yet received their application forms, and those application forms were to be made and filed with the Department by the fifteenth.

This program has been badly handled. The drought was last year. Cash is coming very late. It should have all been on the table by at least January, February or March when the farmers were putting together the funding for this year's crop. I certainly hope that the Parliamentary Secretary will be able to clarify that the deal is exactly the same, the amounts are the same as they were last fall and not just these estimates that we talked about then. Estimates of what? Farmers want to know where they are, whether they are going to be paid and when they are going to be paid.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am pleased once again to try to provide detail on the effective efforts by this Government to deliver the Drought Assistance Program to Canadian farmers.

I would like to say to my hon. friend that it is white beans, not soybeans, but we will let him get away with that.

An Hon. Member: He is an outstanding grower of white beans.

Mr. Cardiff: I would like to say to him also that the deadline for the application has been extended and is flexible for receiving some of those application. The Drought Assistance Program will help producers that were hurt very badly in the 1988 drought. This Government is making every effort to deliver a program that treats producers in many different circumstances fairly, and it is very difficult to find a plan that treats them fairly.

We anticipate that about 120,000 producers may qualify for drought assistance, with over 100 different crops in over 45 different townships. It takes time to develop and deliver a program that deals with so many producers in so many different types of circumstances.

The Canadian Drought Assistance Program administration is working hard to deliver this program to Canadian farmers. More than 145 people are directly involved in its delivery including people on a toll-free line who have been answering up to 4,000 calls a week. Recently in response to the number of phone calls, we doubled the number of operators on the toll-free line to 20 people.

The administration is putting interim payments into the hands of producers as quickly as possible. About 4,500 townships have been designated as drought areas on the basis of preliminary provincial crop insurance data. More drought areas may be designated when final data is available from provincial crop insurance agencies in May.

Personalized applications have been mailed to about 120,000 producers in designated drought areas, and about 100,000 forms have been returned to date.

I am pleased to inform the House, Mr. Speaker, that close to 19,000 interim cheques worth $80 million have been mailed so far to producers. About 65,000 producers will get interim payments. The payments will average $4,300 and will total about $280 million. The timing of these interim payments is similar to the timing of interim payments under last year's Special Canadian Grains Program. Final payments are scheduled to be mailed in July.

We are making progress in other aspects of the program, too. A method for delivering assistance to Ontario horticultural producers has been established. We are working with horticultural groups in other provinces now to establish a method for making payments. Progress is being made with the Province of Québec on a proposal for program delivery. Discussions are continuing with the provinces on cost sharing.

In addition, I can tell you, Mr. Speaker, that producer review committees will be established in each province. This program may be rather complex, but it is resulting in the individual tailoring of payments and an accurate assessment of each producer's needs. The Canada Crop Drought Assistance Program is fair, well targeted and timely. It is being delivered effectively by this Government.

It takes patience, but we have to recognize that many crops in this country are not harvested in June and July of any year. We have many crops that are not harvested until the end of our calendar year which would be the first of December, and very often not delivered. It is very difficult to establish the amount of profit that has been delivered. Those things all take time.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Friday, April 14 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, April 13, consideration of the motion of Mr. Richardson for an address to Her Excellency the Governor General in reply to ther speech at the opening of the session.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, in the speech at the opening of the thirty-fourth Parliament, the Government stated that culture, together with the economy, social affairs and the environment, is one of the essential building blocks of our national identity. At a time when there is a tendency among the nations of the world to regroup in large economic units, when borders established in the 18th and 19th century are being erased to allow for the necessary circulation of goods, services and information, creators and artists, whom we may have taken for granted in the past, are now becoming increasinly important to their respective communities.

We are entering the so-called information society, which throughout the world is bringing about a likeness in our goods and services. Creators, however, are doing the exact opposite. They explore, search and experiment and in doing so, express what makes them and what makes us unique. Our identity is reflected in their works.

How to reconcile this development of our authentic cultural uniqueness with the imperatives of the information society is the most important challenge we have to meet as Canadians.

Mr. Speaker, Canada's cultural reality is made up of four components. First, a necessary technological infrastructure: our telecommunications; second, a broadcasting system that must reflect what we are; third, an aggregate of cultural industries: publishing, films, recording and design which, unfortunately, do not enjoy a normal, healthy existence as far as their operations are concerned; and finally, the artists and creators without whom none of this is possible and who form the ever fragile foundation of this system.

Mr. Speaker, the Department of Communications assumes the Government's responsibility for these four components. I will touch on them briefly.

First, the telecommunications sector. In 1987, this sector contributed nearly $16 billion to our Gross Domestic Product. Telecommunications is one of our economy's fastest growing industries, with an annual growth rate of 8.4 per cent in 1987 and 6.8 per cent last year, compared with 2.3 and 4.8 per cent for Canada's manufacturing industry as a whole.

The telecommunications industry, with 86.5 per cent Canadian ownership and 79 per cent owned by the private sector, is becoming an increasingly important instrument for our economic development. To own and operate an integrated telecommunications system that is universally accessible and to do so at affordable rates has become one of the essential prerequisites for any advanced economy on this planet, and its importance is increasing. It is not surprising that the Japanese have made telecommunications their development priority. Nor is it surprising that the European community has identified telecommunications as a priority prototype sector for integration in the "single market" in 1992. However, the benefits of our telecommunications system and the information it carries are not purely functional. The sector will, and in fact already does, have an impact on the daily lives of all Canadians. It will affect our social and cultural activities and help very substantially to reduce regional disparity.

Twenty years from now, countries that have not taken advantage of technologies such as high definition television, for instance, will no longer be in the running.

In addition to being the main motor of our economy, these technologies, these electronic media which are already partly responsible for disseminating our culture, will also be the main source of job creation in Canada during the next twenty years.

• (1010)

In Canada and all over the world, technologies are already considered an essential tool for ensuring the competitiveness of companies in every field. Not only will they have an enormous impact on the economy, but they will also considerably alter our social reality, education and training programs, and of course the distribution of our cultural products both at home and abroad. The importance of this technological revolution cannot be overstated.

Now, can you tell which country is among the three or four world leaders in the field of technology development? Yes, it's Canada. We are the best there is in a field generally considered to be a key sector, which should ensure our economic development. All we have to do now is to remain the best. Our strength lies in telecommunications which must become a fundamental part of our industrial development in the present state of the economy, where competitiveness is more and more important.

In this race, we start with a definite lead over all the industrialized nations. We must then improve and strengthen our communications infrastructure so as to meet the economic and technological needs of the 21st century. This infrastructure must be used to link Canadians to each other and to the rest of the world.

Broadcasting is the most popular and powerful vehicle for culture available to us now. Statistics Canada has recently published data showing that 99 per cent of all Canadian families own a radio set, 98 per cent have a television set, and more than 50 per cent have a VCR. That should tell us the tremendous power those media have when it comes to the spread of information, the sale of products and services, the influence on public opinion, the making of stars, and especially a chance to give the majority of people the opportunity to share a common experience.

The Government must therefore undertake to ensure that a full selection of quality Canadian programs reflecting our reality and intended directly for us is available in this country. Our political and cultural sovereignty requires it, if we do not want our culture to become marginal in Canada itself.

It is therefore important for our television broadcasting system to give priority to our own television production and for the Government to encourage its growth. For if television does not show Canadians an image of themselves, if this image is lacking in quality, we can ask how they will strengthen their feeling of belonging. A television set is not just a receiver. It is the primary tool to cement culture in the modern era. As anthropologist Edward T. Hall notes:

> The phenomenon of identification is perhaps the most important psychological aspect of culture, a bridge that links personality to culture.

In 1985, the cultural sector was the ninth largest manufacturing industry in Canada and earned more than $12 billion.

The cultural sector is the fourth largest employer in Canada. Cultural industries, including broadcasting, provide Canadians with more than 105,000 direct jobs. Some 4,000 people work full time in museums and heritage institutions and about 5,000 work there part time. The sound recording industry provides 15,000 direct jobs, mostly for young people. The labour force is growing faster in the cultural area than in other sectors of the Canadian economy.

In addition, the number of cultural institutions is increasing all the time. From 1972 to 1986, the number of arts organizations subsidized by the Canadian Government increased considerably: from 49 to 197 theatre companies, from 63 to 160 music ensembles, from 11 to 41 dance companies. This remarkable growth shows Canada's cultural vitality!

These figures, impressive as they are, must not hide the problems facing cultural industries that we must solve in the coming years. Those industries, needless to add, are in a state of under-capitalization and more often than not have no access to economies that would enable them to compete here in Canada even with the major producers of mass culture events.

The basic problem of our culture industries is that they are working in a distorted market where they are structurally unable to compete profitably with global-scale firms already in the field.

The Government must step in to allow Canadians to do business in our own land, just as the others do in their own country. Let me mention here the Musicaction Program established by the Department of Communications three years ago, which did much to put the French and English-speaking segments of the record industry on their feet again.

For its part, the film industry must cope with a number of difficulties. Of course, Governments afford our film and TV production a kind of support that is unequalled in any other country, to the tune of nearly $200 million through the activities of large agencies such as Téléfilm Canada, the NFB and the CBC, on the one hand and incentives like the capital cost write-off on the other. But we must do more and come up with a series of steps to solve the problems behind the imbalance in the Canadian distribution market, that is to ensure to Canadian distributors the availability of their own market. Right now, our distributors collect only 10 per cent of the total receipts from movie theatres and home videos, even though in 1984 they distributed 28 of the 29 feature films produced in Canada.

As a last example, nearly 80 per cent of book publishers in Canada are Canadians, and they put out nearly 70 per cent of available publications. However, they can fill no more than 35 per cent of the schoolbook, reference book and general material market. Further, most Canadian publishing houses hardly reach the break even point, and in the best of cases only exceed it by 5 or 10 per cent.

It is important therefore to ensure that Canadian products are offered as efficiently as foreign products are on the market. The strength of this country's identity is at stake. The Government of Canada is conscious of the importance of that matter.

But cultural products must be made before they become available on the market. They constitute the output of creative men and women who play a leading or even decisive role in defining and promoting the Canadian identity. Given today's major communication and information networks, these men and women cannot be left to fend for themselves even though they work alone within their own society. To the extent that this society needs them it must ensure their survival. But do they really manage to live off their art? Let us briefly examine the financial predicament of Canada's professional artists.

Every week our creators devote 35 to 40 hours to their art and have to work at something else 10 to 15 hours to make ends meet. Their artistic endeavours barely enable them to survive in a world where, oftentimes, material wealth is the hallmark of success. Canadian annual income statistics indicate that authors earn $15,200, dancers and choreographers $16,800, visual artists $21,500, actors $24,500, and musicians $25,100. No wonder more than half of Canadian creators, when queried, look upon their artistic activities more as a calling than as a business or a profession!

That being the case, we have to see to it that public authorities give some kind of priority to defending the interests of artists and creators. We see our own reflection when we look at our artists.

With that in mind, Mr. Speaker, we intend—as the Speech from the Throne puts it—to improve the distribution of Canada's cultural products in broadcasting, film and video, and provide our authors with a system which acknowledges the significance of their contribution to the life of our community.

Broadcasting is the most popular and powerful instrument of our identify. The Government is committed to ensuring a complete range of quality Canadian programs that reflect our reality and are aimed at us. In that respect, we will continue implementing our agenda, which calls for a systematic, determined strengthening of the legislative framework of Canadian culture.

It is that spirit that the Broadcasting Bill will be reintroduced in this House, as well as major legislative initiatives in the areas of filmmaking, museums and archeology.

We also intend to propose the implementation of Phase 2 of the Copyright Act, which we feel essential in every way, an innovative approach to Canadian artists' and creators' living conditions.

Mr. Speaker, Canadian culture is the first expression of our identity. It is also and perhaps foremost above all the contribution of Canadians to humanity's artistic values and heritage.

• (1020)

[*English*]

Mr. Harb: Mr. Speaker, I listened to the Minister's speech with a great deal of interest. He spoke about telecommunications and transmission policy concerning television as well as radio. He then moved on to talk about the educational end of things as well as the arts community in general.

Since we have Crown corporations such as the CBC, the National Arts Centre and the National Research Council, will the Minister agree that rather than cutting funds from these institutions we should be encouraging them and not taking away from them? I was somewhat shocked to learn through the media that the National Arts Centre Orchestra will be privatized. I also heard some discussion about the possibility of passing on the National Arts Centre to the NCC.

I do not know whether the Minister has had time in the past, present, or will have in the future, to sit down to look at this aspect of Canadian culture in terms of what it really means to Canadians. Look at the idea of the arts and how we can use the arts to promote tourism and encourage economic development. When talking about radio and television transmission, consider how they are connected to research and development.

When the Government sits down to have a sober look at what it is doing in the area of culture, will the Minister be working with his colleagues and pushing them to press ahead in areas such as research and development and culture, that is, ensuring that the content of television and radio transmission will focus more on Canadian culture and content?

I think the Government can really take a leadership role when it comes to the arts community. We are in the best position to take that role by maintaining agencies such as the National Arts Centre and by investing more in terms of incentives. If there are difficulties with some of these agencies, I think the best approach is to sit down with management to try to work out the differences rather than to say that we have had enough and it is time now to pass them on to the private sector. If we do pass these agencies on to the private sector and rely solely on the private sector, eventually what we will end up doing, as a Government, is absolutely nothing. We have a leadership role to play. It is important for the private sector to enter into partnership with the federal Government. However, it is also important that the federal Government stay in place as a watch-dog and be there in terms of playing the role of facilitator with these different agencies in order that Canadian culture and unity be promoted. That is what Canada is all about. Will the Minister comment, please?

[*Translation*]

Mr. Masse: Mr. Speaker, I thank the Hon. Member for his question. Many matters were raised that could be debated for days.

Let me say first There is no direct link between the amount of money spent in anyone sector and that sector's success or failure. I referred to the Canadian film sector. Of all Western countries Canada probably has invested directly in film making the most public money—nearly $200 million. And this probably is the sector where Canadians have the most difficulty seeing Canadian productions. Two hundred million dollars for 26 million Canadians. But in our movie theatres, 97 per cent of films seen by Canadians are foreign. Three per cent only are Canadian films. Despite the fact that three agencies—Téléfilm Canada, the NFB and to a degree the CBC—are involved in film production. But at the movie theatre level Canadians derive no benefits from that at all. It is not for lack of public money. Would the problem be solved if we were to throw in another $100 million? Absolutely not! The problem is not a monetary one. It's not a funding problem public funds but rather a set up problem, a structural problem in the set up of our Canadian film industry.

This is the reason why we should be cautions, Mr. Speaker, before we ask the Government to invest more money. Throwing more money into a bad policy will not get the positive result we expect. This is why I believe we must work at two levels. Of course a minimum of public effort is needed. In the next few months I will have an opportunity to show that Canadians are making a tremendous effort by investing in their own identity through their culture. But the problem we have is to organize our market and establish creator-to-customer relations in this country. That is where the problem lies. We need legislative and regulatory measures to encourage our creators, to turn our creators and artists into men and women who are proud of their profession and their activities. We will re-introduce copyright legislation and measures designed to enhance the status of artists. The Government will actively promote creative endeavours.

We must also take action to organize our market and make sure that our publishers are in a position to distribute Canadian books and that school books in Canada are produced by—

Mr. Deputy Speaker: Order, please. I would ask the Minister to conclude his remarks, please.

Mr. Masse: Well, Mr. Speaker, the conclusion is that the Government must continue to be very active in that field

[*English*]

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to respond to the Speech from the Throne as a Member of Parliament from an area that lies between London and Sarnia, Ontario. It is a riding that has four Indian reservations within it. I was very disappointed when I read the Speech from the Throne under the theme "A Caring Nation".

I was disappointed because I did not see one word about our native peoples, those native peoples who are today demonstrating in front of this institution on Parliament Hill. They are demonstrating on behalf of their children who are being deprived of an education at the highest level. Certainly at this time in Canadian history such an education is essential to the future not only of our native peoples but of our nation as a whole. This right cannot be limited by Government. This right cannot be held hostage by the federal deficit, a deficit that is being fought on the backs of the poor, the sick, the disadvantaged and the unemployed. If there is any group which needs help under our Unemployment Insurance Program it is our native people who rely on fishing, tourism and other aspects of life that have been built around the social systems which we have in place in Canada.

• (1030)

We have out in front here today Verna Brown of Oneida, Karen Deleary of Muncey, Candess Bressette of Kettle Point with Laura George, Brian Monague, Tammy George, Ron George and Maynard George. We have in our gallery today Wayne Hill, his wife and their two sons. They are here to protest what is happening to the education of native people. They are here to try to convince this Government that their sons deserve an education, an education that should be available to all Canadians, not just the privileged few of families of the elite.

A couple of days ago the Minister of Consumer and Corporate Affairs (Mr. Valcourt) spoke in this House. He said that he will assist business to adapt to changes in our systems brought about by the Free Trade Agreement. In the last few years we have heard a lot concerning bringing about harmonization of regulations between Canada and the United States. When I look at some of the changes that have taken place in the last couple of years, I am shocked that instead of raising the standard on United States products coming into Canada, we are undermining Canadian standards by allowing sub–stan dard products to come in from the United States. In fact the President of Weston Foods said: "Unlike Canadian products shipped south of the border, items coming into Canada from the United States are not stopped at the border if they do not meet federal guidelines".

The Grocery Products Manufacturers estimate there are nearly 300 improperly labelled products on grocery store shelves in Canada at the present time. This is shocking. We have established Canadian standards of great quality that have served this nation well. They are recognized around the world.

I want to give another example of what is happening. In our Canadian beef industry we have various grades of beef that ensure consumers that when they buy Canada Grade A, it is a youthful carcass with tender meat, a shiny bone texture and a minimum fat cover of not less than four millimetres and not more than 19 millimetres. A certain amount of fat is necessary to ensure good quality beef.

I am shocked to learn that there are about one million pounds a week of ungraded—it is called unrolled beef—coming into Canada, beef that is essentially cow beef. I am not suggesting that there is anything wrong with cow beef provided you do not mind the toughness and you do not object to chewing on it for a while. This beef is being offered in our stores without any identification, with nothing to tell the consumers that it is inferior quality. It is being blended with the Canadian beef. That is that we as beef producers from Canada have to compete against. From what I understand only one consumer in 10 will complain. Consequently, consumers are being taken to the cleaners. If you have one consumer who complains, you can rest assured there are 10 unhappy consumers who do not tell their friends and associates where they made their purchase.

We have gone into an agreement with the Americans assuring that any imported goods are stamped with a grade that is equivalent to that of what we have here in Canada, not only to protect the interests of the consumers, but to protect the interests of the purchasers here in Canada. After all the talk we have heard about level playing fields, surely the Government has a responsibility to make sure that these products are labelled with a grade equivalent similar to what we have here in Canada.

To sell this beef under the impression that it is something else can only harm the industry and lead to a drop in consumption. I suggest that this is the most important issue facing the beef industry today in Canada. Measures must be brought in to protect the consumer and the industry as a whole.

I am further shocked at the emergence of imported products showing up on store shelves that do not conform to our Canadian quality standards. Surely if this Government is going to continue with harmonious relations with the United States, it should insist that U.S. standards be brought up to ours and not ours be brought down to theirs.

Some Hon. Members: Hear, hear!

Mr. Ferguson: The next issue I want to speak about very briefly this morning is the removal of oats from the jurisdiction of the Canadian Wheat Board without consultation with the Canadian Wheat Board or with the producers. In fact, the Minister has broken the Government's own rules for regulatory reform. I fully realize that this code is not enforceable by law, but the citizen's code of regulatory fairness was established in March, 1986, to give the public access to decision-making before the Government makes regulation changes.

I am sure that the Minister will try to convince us that this commodity of oats only accounts for less than 1 per cent of the value of the Canadian Wheat Board sales. He will try to convince us that it is a very minor issue. But the fact is that if oats go out this year, will wheat and barley follow next year and the year after?

I together with the farmers believe that this is true or else the Minister's resignation would not have been called for. I believe it is the Free Trade Agreement that calls for the free trade movement of grains across our borders when levels of subsidies become equal, and that barley and oats will be next to go. Let me tell you that the subsidy level for oats will be at par this year with that of the United States. For wheat and barley, it will be level next year. It is not much wonder that the farmers of western Canada and eastern Canada are upset that barley has been removed from the jurisdiction of the Canadian Wheat Board. Their information also points out that barley and wheat will have equal subsidies in both countries within a year to a year and a half. When this happens, the farmers of Canada will lose the most sophisticated marketing system in the world, and will be thrown to the mercy of a few multinational companies and the commodity exchanges that have been rocked by recent scandals and investigations.

Just let me quote from a series of questions asked the Ministers of the Ontario Wheat Producers Marketing Board. The first question: What will be the role of the Canadian Wheat Board in the marketing and pricing of wheat with the understanding that import and export authority will no longer be within the Wheat Board mandate? They did not get an answer. Second: What Department or under what Minister will the decisions be made regarding the establishment of the North American price for wheat and equalization of subsidies?

The third question: How much authority will the Canadian Grain Commission have in policing the end use certificate policy? End use certificates will not require the grade of wheat to be indicated. This allows the import of low-grade wheat at lower prices than Canadian wheat of top grade or even lower grade because of quality control disparity trading, creating unfair competition. How will this serious problem be resolved? Certificates will not require the grade of wheat.

I spoke just a moment ago of ungraded beef coming into Canada, what it is doing to our markets and what is happening to consumers who purchase this beef. Now we are facing the same situation with wheat. How much authority will be implemented regarding the import of wheat-based products into Canada, or will there be any authority at all implemented? Who in the federal Government will decide what is a subsidy on either side of the border? Will the federal Government establish a direct payment compensation program to address this discriminatory pricing of wheat other than through stabilization? Will the federal Government permit direct producer input in overseeing price determination domestically, or will it in turn take the route it took with the removal of oats from the jurisdiction of the Canadian Wheat Board? In fact, the Government broke its own rules of the citizens code of regulatory fairness.

• (1040)

Those are the questions that are asked by the Ontario Wheat Producers Marketing Board. They had another question that is essential to the continuation of that board. Will the Canadian Wheat Board continue with an initial payment pooling system? If so, how will the initial payment be established? Will the Minister put that in writing?

The wheat producers are asking the Minister to put it in writing because they are not satisfied with the answers so far, if indeed they received any answers at all.

Canadian farmers have a right to know. The Government must respond, if indeed this is a democratic country and if the Minister is interested in the welfare of the producers. Instead, is he only interested in the welfare of a few very large multinational corporations?

All the signs that come from the Government and other sources indicate that the Government is moving to dismantle one of the most sophisticated marketing systems in the world. As further processed products are brought into Canada, many of which are of lower quality and consequently lower priced, Canadian production will have to be cut and food processors will be forced out of business. As the food processors are forced out of business, so will the farmers. Scores are being forced out at this time.

It only takes a few percentage points of surplus to wreck a market and destroy an industry. As the old adage goes, two buyers after one cow means a good market, but one buyer after two cows is a disaster.

I was shocked to see some of the explanations and options being considered by the United States. In fact, in a recent document to the United States Senate Committee on Agriculture and Nutrition, the U.S. Trade Representative laid out the options for negotiating the elimination of the Canadian Wheat Board and wheat product licensing requirements, and explained their preference. This document lays out those preferences. It states:

> There are several ways in which the question of restrictive Canadian import licensing of wheat and wheat products may be addressed. The first of these has been incorporated into the U.S.—Canada Free Trade Agreement. The FTA provides that when the level of Government support for wheat in the United States becomes equal to or less than the level of Government support in Canada, Canada shall eliminate any import permit requirements for wheat and wheat products originating in the territory of the United States.

That is what is happening to the Canadian wheat producers. When it happens, the Canadian Wheat Board will be stripped of its powers.

In the last two years, I have had scores of farmers ask me what the Government is doing to our marketing system. The dairy farmers of Lambton and Middlesex Counties and the whole poultry industry are realizing that this cruel big business Government is quite prepared to give away their marketing structures for the sake of making a deal at any cost.

There are only three lines concerning agriculture in the Speech from the Throne. It referred to the industry as being a drain on the nation's economy. I am a farmer. At this time of year I always look forward with anticipation and optimism to the spring planting season and the year ahead. I look forward to the creation of new plant life and hopefully a bountiful harvest. I resent being told that I am a drain on the nation's treasury.

The Government has thrown us to the vultures in this whole free market economy. There seems to be a double standard in the Government. It is okay for the huge corporations to exert more power on the market-place, but if Canada's farmers try to maintain a countervailing force in the market-place they are told to become more efficient.

When I return home to my riding every week-end, I am shocked at the number of farmers who are coming to me for financial assistance. In fact, in my colleague's riding of Essex—Kent, there are 200 farmers being forced off the farms through Farm Credit Corporation actions alone.

I am proud to be a farmer. I am proud of the role we play in society. But I cannot understand why any Government would possibly contemplate destroying our systems and our quality standards to become part of the law of the jungle.

Mr. Kindy: Mr. Speaker, I want to make some comments on the Throne Speech and the Member's speech. I am pleased that in the Speech from the Throne the Government talked about a strong commitment to a strong economy and recognized the importance of deficit reduction. However, we should not forget that in 1984 our total debt was approximately $200 billion. Now, in 1989, it is $320 billion. Annual interest rates on that debt now consume 31 cents of every dollar of Government revenue, and these payments are putting pressure on the Government's ability to meet other priorities.

Canada has been borrowing money solely to pay the interest from previous borrowings. In order to reverse this trend, expenditures must be reduced and revenue must cover the cost of Government programs.

In the Speech from the Throne the Government talks about tax reform and proposes a new federal sales tax to replace the manufacturers sales tax. This new federal sales tax could be a value added tax, or a tax on consumer goods and services.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I am sorry to interrupt the Hon. Member but I understood that we were on the five minute question and comment period with respect to the speech which was just made by the Hon. Member for Lambton—Middlesex (Mr. Ferguson). So far, I have not heard either a question or something that related to comments made by our colleague.

Mr. Deputy Speaker: The Member for Calgary Northeast (Mr. Kindy) does not necessarily have to ask questions, but I am sure, with the experience he has, his comments will relate to the speech by the Hon. Member for Lambton—Middlesex.

Mr. Kindy: Mr. Speaker, I will certainly make a connection with what the Hon. Member was talking about.

Mr. Ferguson: I was talking about beef.

Mr. Kindy: This concerns the value added tax and how it affects farmers. I would like to continue.

I would oppose the value added tax for two reasons. First, it would leave less money in the pockets of taxpayers than the present taxation system. Second, it would require additional staff positions to be implemented.

Canadian taxpayers are already over-burdened. In 1984, a study of the value added tax by the United States Department of Treasury estimated that implementation of a value added tax in the United States would require 21,000 staff positions and would cost some $700 million to the United States Treasury. While administrative costs for implementation of a VAT in Canada would be lower, the reduction in cost would not be proportionate to the size of the Canadian economy, since there are clearly economies of scale in establishing and administering a tax system. If costs in Canada are one fifth of those in the United States, implementing a value added tax would require some 4,000 staff positions and some $200 million in public expenditures a year.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but I must give some time, and the period of questions and comments is over.

Mr. Kindy: I would ask the Hon. Member how it would affect farmers if we implemented a value added tax, and what he thinks about it.

Mr. Ferguson: Mr. Speaker, certainly I am against any value added tax as far as farmers are concerned. We have a very difficult time now adjusting our cash flows. That is another added expense to the farm community.

Perhaps I should point out to the hon. gentlemen, that in 1984, when the Government took office, the national debt was $130 billion. It is now at $320 billion, almost double.

We had just gone through a period of recession and had positive growth since December, 1982. Consequently, that deficit and the national debt should have been brought down, not allowed to escalate. I can point out to him that Government expenditures increased dramatically since that time as well.

Two days ago I tabled two petitions in the House. One was on behalf of the dairy farmers in Lambton—Middlesex in southwestern Ontario to point out to the Government that their systems are in jeopardy and the whole industry is in jeopardy. I tabled a petition for beef producers who are upset about the "no-roll", ungraded United States beef coming into this country. If the agriculture industry in Canada is to survive under this Free Trade Agreement, we must go back to the systems we had in place and that have served this industry for many years. We must ensure that the United States raises their standards to our standards and not tear ours down.

• (1050)

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I thank you for the opportunity to address this House on the Throne Speech. The Throne Speech is a positive plan, a direction for the Thirty-Fourth Parliament. It sets out a plan of objectives and purposes of this Government for the future. This future presents our constituency with its own set of opportunities to participate.

I want to comment on the fundamental objectives in the Throne Speech that present my constituents with both challenges and opportunities. The constituency of Wetaskiwin is very diverse in cultures and economic base, but nevertheless it is very economically active. When I see objectives like building a strong economy, preserving Canada's environment, maintaining a caring, compassionate society, fostering a confident sense of Canada's cultural and national uniqueness, I welcome the opportunity for my constituents to share and participate in the constructive direction of our second mandate.

I want to review each major component of the Throne Speech in retrospect by recalling incidents during the election campaign. With respect to the economy, there were many times when I knocked on doors to find constituents very concerned about the deficit. We have since received calls and letters, as I am sure all my colleagues in the House have, from constituents who say or write: "please do something to reduce the deficit".

With regard to preserving Canada's environment, during the first two or three weeks of my campaign, the number one issue in my constituency was the environment. As we moved to the second half of the campaign, freer trade became the issue.

It is with gratitude that I listened to the Throne Speech, because the most important concerns of my constituency, the economy and the environment, are being addressed by this Government as priorities.

The constituency of Wetaskiwin has some of the most caring and compassionate people in the nation. The family, including children and the elderly, are the strength and base of our communities. Communities like Leduc, Ponoka, Lacombe or Wetaskiwin, communities whether they be urban or rural, agricultural or energy based, all have this same quality of caring and compassion.

In like fashion, Wetaskiwin has the richness of multicultural heritage. My constituency has as diverse a culture as anywhere in the country. The valuable contributions of the German, Swedish, Oriental, Philippine, French and others are evident from one end of the riding to the other. I am proud to say this is possible by working together with the aboriginal people, my people, in Hobbema.

As I listened to the Throne Speech, I was encouraged as I could hear how this Government was planning to involve my constituents in the constructive development of our nation because of its commitment to national unity.

Let me go back for a moment to address some specifics. Shortly after the election, a constituent, Mr. Hitchcock, wrote to me and expressed concerns about the environment. He did so in a manner to remind me of what one of my forebearers said in 1854:

> The shining water that moves in the streams and rivers is not just water, but the blood of our ancestors.
>
> If we sell you our land, you must remember that it is sacred and you must teach your children that it is sacred— The rivers are our brothers, they quench our thirst—The air is precious to the red man, for all things share the same breath—the beast, the tree, the man, they all share the same breath—
>
> This we know. The earth does not belong to man: man belongs to the earth. This we know. All things are connected like the blood which unites one family. All things are connected.
>
> Whatever befalls the earth, befalls the sons of the earth. Man did not weave the web of life. He is merely a strand in it. Whatever he does to the web, he does to himself—
>
> The white man too shall pass; perhaps sooner than all the other tribes. Continue to contaminate your beds, and you will one night suffocate in your own waste.

These were very prophetic words. I need not mention the Brundtland Commission's reference to native people as being some of the best environmental protectors in the world. That leads me to another aspect of the Throne Speech.

I want to commend the Prime Minister on the inclusion of aboriginal people in the Throne Speech, as we set out on a positive direction for the next few years. I want to refer to the future constitutional development including aboriginal rights. I quote from the Throne Speech:

> My Government is concerned that our native peoples participate fully in Canada's economic development prospects and, to this end, will be extending its programs to assist native economic development.

I welcome this, as one who has constituents among the Four Nations of Hobbema, and look forward to both objectives and to taking advantage of opportunities under the Free Trade Agreement. It has long been my personal belief that education and economic development opportunities for my people are the key essentials to meaningful involvement in our nation. It is only with these tools and skills that we can participate and contribute fully as self-reliant Indian Governments.

I want to compliment our Government's initiative to renew its fight against drug abuse. We have seen its devastation in some communities, and I am encouraged by this commitment as I believe preventative programs for young people.

Another initiative I wish to recognize, because of numerous constituents confiding in me during the campaign, is that of amendments to the Unemployment Insurance Program. I welcome on behalf of my constituents these changes, especially as more resources will be directed toward active training. To quote again from the Throne Speech:

S. O. 31

The increasing participation of women in the workforce underlines the need for initiatives that promote equality of opportunity in Canada's economic life.

This will now happen. A recent contribution to the Wetaskiwin and District Chamber of Commerce provides a concrete example. They will be training women, who have been out of work, for job re-entry so they can become participants during this second mandate and beyond. There will be greater opportunities for productive and rewarding experience in the workforce. The Wetaskiwin PALS, a Program for Adult Literacy Skills, is encouraged by the literacy initiatives mentioned in the Throne Speech.

There are many more opportunities to which I can make reference. We realize there are also many challenges that face us in the coming years. We have made commitments to a more competitive economy; a human resources development strategy; a commitment to sustainable development; maintaining our social programs; fostering our national identity; a strong action to reduce the deficit; and a constructive approach in our environmental international relations. We welcome these challenges and endorse the plan of objectives as outlined in the Throne Speech because we see a brighter future for Wetaskiwin.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL ENERGY BOARD

INCREASED NATURAL GAS EXPORTS

Hon. Chas. L. Caccia (Davenport): The National Energy Board has to decide on a proposal to export nine trillion cubic feet of natural gas, about 10 per cent of our total supply. The proposal could mean that future generations of Canadians will be deprived of nine million millions cubic feet of gas. We would remain "hewers of wood and drawers of water".

It is unfortunate that this Government seems uninterested in our future needs. It should at least direct the National Energy Board to make approval contingent upon the condition that exported gas would replace and not add to oil or coal burning. Natural gas pollutes less than oil or coal. Therefore, it contributes less to global climate warming.

The proposal before the NEB should not be examined as a request for export in isolation from our long-term interests, but rather in the context of an energy strategy for Canada with the reduction of global climate warming as a goal.

Unfortunately, this Government is not interested in long-term energy policy, climate warming and the needs of future generations.

* * *

• (1100)

[*Translation*]

VOLUNTEER ORGANIZATIONS

NATIONAL VOLUNTEER WEEK—TRIBUTE TO VOLUNTEERS

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, on Sunday will begin the National Volunteer Week, during which we should reflect on the tremendous efforts made by the Canadian volunteers to improve our life.

I am very pleased to honour the volunteers in my constituency, especially the people working at the Volunteer Action Center in Orléans and the Help Center 23, as well as all the volunteers helping the chronic and mentally handicapped patients at the Saint-Augustin and Robert-Giffard Hospitals.

In Canada, the economic value of volunteer work is estimated at some $4 billion, which I hope you realize is an outstanding amount! But the true value of these people's work cannot be measured in economic terms. Instead, we are talking here of some irreplaceable efforts made by millions of Canadians who make a point of improving the quality of life in Canada and to build a more human and friendly world.

Mr. Speaker, the National Volunteer Week gives us the opportunity to recognize the wonderful work of Canadian volunteers and the profound influence they have on our society.

* * *

[*English*]

SOCIAL AFFAIRS

FOOD BANKS—GOVERNMENT INFORMATION KIT

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the Department of Agriculture, at the request of the food industry, has prepared an information kit designed to link up food processors, producers and distributors with food banks in Canada.

This move indicates that the Government's view of food banks is as a formal and institutionalized component to Canadian social services. It also indicates that the Government is anticipating an increased demand for

food banks because of such policies as the restructuring of the Unemployment Insurance Program.

We are seeing the abrogation of the Government's responsibility to provide jobs and a decent standard of living for Canadians by further relying on the private sector to do a job that rightly belongs to government.

The Government should be putting its resources into programs that will eradicate the need for food banks. Instead, the Government appears to be acknowledging that food banks are an appropriate remedy for its inaction and inability to get Canadians working.

I call on the Government to find ways to end the need for food banks, rather than to look at ways of making them a permanent feature of Canadian life.

* * *

EXTERNAL AFFAIRS

ISRAEL—KILLING OF PALESTINIAN CIVILIANS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, there was more killing and bloodshed in the occupied West Bank yesterday.

Surely it is high time for Israel's friends to tell her, in no uncertain terms, that the continual murdering of Palestinian civilians by the Israeli military is cruel, intolerable, and must stop.

* * *

ABORIGINAL AFFAIRS

NATIVE FRIENDSHIP CENTRES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. Cadieux) will be aware that Canada has over 100 Native Friendship Centres.

Their primary objective is to improve the quality of life for aboriginal peoples in an urban environment.

The Minister will also be aware that, following the recommendations of a 1988 study, the federal Cabinet, prior to the 1988 federal election, decided to renew the Friendship Centre Program on a permanent basis.

The Government is now in the process of reviewing all program expenditures with a view to budget cuts.

In light of the capping on post-secondary funding for natives, concerns have been raised as to whether or not the funding for these centres might fall prey to the same type of action.

In the event of any reduction in this program, the Minister should know that for every dollar cut by the Government the centres will lose three times that in funds received from other sources to support these centres.

Cuts or reductions in support will affect not only the centres themselves, but the economy of the surrounding communities.

I call upon the Minister to reassure the House that there will be no cuts or reductions of the Friendship Centre Program in the April 27 Budget.

* * *

ABORIGINAL AFFAIRS

CALL FOR END TO STUDENTS' HUNGER STRIKE

Mr. Doug Fee (Red Deer): Mr. Speaker, I rise to address myself to the native students who are presently on a hunger strike on the issue of the new post-secondary assistance program.

These students should discontinue their hunger strike and meet with the Minister, as he has suggested.

The students are asking for a delay in the implementation of policy, and bilateral negotiations. The Minister has stated that the policy will not be implemented until September, providing time for the discussions that the Minister has begun. He has also emphasized his interest in the presence of student representatives at that table. I feel that the position of the Minister is reasonable and conciliatory.

I know that all Canadians agree that discussions, negotiations, and even demonstrations are legitimate exercises in a democratic society. Hunger strikes and other forms of coercion are not.

* * *

THE LATE ABBIE HOFFMAN

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise to mark the death of Abbie Hoffman, notorious anti-war protester, one of the Chicago Seven, and a leader of that heterogeneous but nevertheless united phenomenon called the counter-culture.

Those of us who were affected, indeed inspired at times by the various philosophical critiques of modern society offered by the counter-culture, and by the creative irreverence and questioning of authority of leaders like Hoffman, may have grown to see that the world is a more complicated reality than we thought, and that even counter-cultures are fraught with pitfalls.

However, I believe there are many in Canada and in the United States who are still living out their opposition to establishment values in their work in the church, in community-based organizations, in development and peace groups, in trade unions, in politics, in education, and in the environmental movement.

We have not forgotten, or closed our eyes to the heart of darkness that lies at the center of a civilization willing to destroy and/or poison the earth, to starve children in order to pay the banks, or to send the young off to be killed in wars to protect the business interests of the corporate elite. We may be more mature now, whatever that means, but we will overcome. Wait for it.

* * *

[*Translation*]

CITIZENSHIP

CITIZENSHIP WEEK

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, this year, the National Citizenship Week will be held from April 16 to 23.

What better opportunity than to reflect on the tremendous privilege that is ours of living and prospering with complete freedom in our great and beautiful country, a country rich in unique natural, cultural, and human resources.

During the National Citizenship Week, let's not forget to thank and honour the men and women who have built Canada, as well as all the others who keep working hard to make our country a better place to live for our children and grandchildren.

* * *

HUMAN RIGHTS

REQUEST THAT CANADA INTERVENE WITH GOVERNMENT OF BURUNDI ON BEHALF OF M. RÉMI GAHUTU

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I wish to call the attention of the House to a clear case of human rights violation and ask the Canadian Government to urge the authorities concerned to stop such violations.

I refer to the case of Mr. Rémi Gahutu, President of the Palipehutu, who is the main Leader of the Hutu Opposition in exile and is currently the victim of harassment from the Government in power in Burundi.

We have been advised that the Burundian intelligence services are hunting down refugees abroad, especially in Tanzania, offering bounties and bribes to whoever will persecute them. It is not the first time that Mr. Rémi Gahutu is thus subjected to arbitrary arrests and harassment by local Mpanda officials on behalf of the Burundian Government.

I ask therefore the Canadian Government to contact without delay the authorities in Dar-Es-Salaam and insist that they leave Mr. Gahutu and his supporters alone and respect their human rights.

* * *

[*English*]

GLOBAL POPULATION AND DEVELOPMENT

AGENDA FOR PARLIAMENTARIANS

Mr. Bruce Halliday (Oxford): Mr. Speaker, I wish to draw to the attention of colleagues in the House some interesting activities, both past and future, of the international Global Committee of Parliamentarians on Population and Development.

Last April the Global Committee co-sponsored, together with the Temple of Understanding, which is an inter-faith group based in New York, the Oxford Forum of Parliamentarians and spiritual leaders on global survival. This forum was held in Oxford, England, and it was so successful that, in January, 1990, the U.S.S.R. will sponsor a similar meeting in Moscow which will be hosted by an interesting group of three, namely, the Supreme Soviet, the Soviet Academy of Sciences, and the Russian Orthodox Church, to discuss those issues affecting global survival.

There will also be a meeting in Quito, Ecuador, in March, 1990, in which Parliamentarians from the western hemisphere will participate in discussions dealing with the issues of the environment and how that affects population and development.

Of special interest to colleagues in the House, in June, 1989, there will be a seminar on the Hill in Room 200. There will be a dinner and a meeting in the evening where issues of population and development will be discussed.

• (1110)

[*Translation*]

REGIONAL DEVELOPMENT

SOUTH-WEST MONTRÉAL—ROLE OF GOVERNMENT ORGANIZATIONS

Mr. Paul Martin (LaSalle—Émard): In a few weeks, Mr. Speaker, the Committee for the economic recovery and employment in South Western Montreal will make public its report on the economic crisis which is now raging in the South Western part of the island.

For a number of years, the industrial base in that area has been deteriorating, with the result that thousands of Montrealers have lost their jobs. This drain must stop.

It is essential first of all to keep the jobs we have, create new ones, foster economic development, implement without delay re-adjustment programs for workers and make sure that the three levels of Government combine their effort to come up with a true industrial policy for that area.

Therefore, I strongly support the CREESOM initiative and the action of such organization as the Association Urgence Sud-Ouest, PEP, as well as the many South-West community groups and unions organizations whose common pupose is to make our elected representatives, the contractors and public generally more aware of challenges to come.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

COLD HYDROGEN FUSION POTENTIAL

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, vast investments in fossil fuels ignore the terrible potential consequences of the greenhouse effect. The energy sources of the future must be renewable and non-polluting. To trivialize wind power or solar power, as the Minister of Energy (Mr. Epp) did yesterday in order to justify heavy cuts in alternative energy research is to fail to provide the type of leadership that the country needs.

The discovery of cold hydrogen fusion, if confirmed, places every nation with electrical power and water and a commitment to research and development on the same starting line. With the potential development of a revolutionary technology it is no overstatement to say that it could prolong the very existence of the earth.

It is a real commitment to research and development that Canada lacks. I have asked the Minister of State for Science and Technology (Mr. Winegard) to begin consultations so that Canada can be ready when the race begins for the development of practical fusion technology. I now ask when will the Minister answer, and what will he answer? Will he resort to the trivializing ignorance of his colleague in energy or will he show the foresight that science requires but which is so politically rare?

Shall Canadian creativity at last be unleashed? Or will we be in the grandstand watching the race for a place in creating a sustainable economic future for mankind? Our scientists, our industry, our workers, and our nation await an answer.

* * *

STATUS OF WOMEN

CADILLAC—FAIRVIEW—TREATMENT OF APARTMENT SUPERINTENDENT'S WIFE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, in my riding of Parkdale—High Park, and in every other city in Canada that has an apartment building with a superintendent couple, women are being treated as second-class citizens.

Mrs. Alma Weaver signed a contract with Cadillac-Fairview guaranteeing that she would do the work as specified in the contract and that she would not take a job outside the home. Although she works side by side with her husband, she was not paid a salary. Therefore she was unable to contribute to the Canada Pension Plan, unemployment insurance, or the company pension.

The largest and fastest growing group of people who live under the poverty line is made up of single, widowed and divorced women over the age of 65. If Mrs. Weaver were to lose her husband in any circumstance she would be forced to join this group, because the owners of the building were allowed to hire two people and pay benefits and salary to only one.

What protection has the Minister of Employment provided in her UI changes for the protection of thousands of women like Alma Weaver who is the urban version of the farm wife?

Oral Questions

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

BENEFITS INCREASE ANNOUNCED PRIOR TO ELECTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is addressed to the Prime Minister but in his absence perhaps the Deputy Prime Minister would address himself to it.

This week we finally saw the ugly side of members of the Conservative Cabinet. They have broken their election promises, what the Minister of Finance called commitments. They have misled the country. They have been complete hypocrites on serious constitutional issues. They are playing tough guys with a group of students who are lying ill on a hunger strike. They have launched a savage attack on the unemployed of the country.

Their harsh agenda is no longer hidden. Canadians are finally seeing the real Tory Party.

Since the Prime Minister refuses to tell us whether he authorized the Minister for International Trade to tell the people of Newfoundland and the people of Canada that there would be no changes to the unemployment insurance scheme, will the Deputy Prime Minister tell us whether the Prime Minister authorized the Minister of Employment to raise benefits for the unemployed just six days before the last general election?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has been spreading all sorts of information around this week which bears no resemblance to reality.

First, the announcement during the election was the normal annual announcement made by the Unemployment Insurance Commission which relates premiums to average industrial earnings. That was the announcement that was made last November, as it is made every November, and as it will be made next November.

The program that we have announced involves a reallocation of $1.29 billion for the benefit of the unemployed. It is an approach that was advocated by a committee of this House which presented a unanimous report whose authors included Members from the opposite side of the House who suggested to the Government that we should extend the training benefits and the active uses of unemployment insurance.

When will the Hon. Member stick to the facts and the history?

[*Translation*]

CONTRIBUTIONS – GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last November's announcement was authorized and even made by the Minister. The Government has just shown all the electoral cynicism it displayed on the subject of unemployment insurance benefits. I would like to know whether the Government will also show the same cynicism regarding premiums—yesterday, it was benefits; today, it is premiums—paid into the unemployment insurance fund by workers in our country? On November 15, the same day, the Conservative Government reduced by 17 per cent the unemployment insurance premiums that employers and employees have to pay in Canada. In effect, that corresponds to a tax reduction which can amount to $184 on the premiums paid for all Canadian workers.

Can the Minister give us the assurance that no change will be made to these premiums, which were reduced in November, in the Finance Minister's Budget?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is the Leader of the Liberal Party who is cynical because in the debate in 1984, he said: "We must maintain our unemployment insurance systems. They must be converted to some extent into training and retraining. We must update our concepts."

Mr. Turner (Vancouver Quadra): As I said last time, the Minister has to read the whole quotation. I said that it must never be done on the backs of the unemployed and that training must be the responsibility of employers or the Canadian Government, depending on its income. That was the question.

[*English*]

PAYMENT OF PREMIUMS – REQUEST FOR GOVERNMENT GUARANTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to address my question to the Deputy Prime Minister since obviously the Minister does not choose to respond to questions. She comes up with a line.

I know that the Minister of Finance will not customarily reveal his budget posture. However, the Prime Minister allowed the Minister of Employment to cut premiums paid by working Canadians on unemployment insurance, premiums paid by the employers and the employees, during the election campaign, by 17 per cent. The Minister does not appear ready to honour that commitment in this House. The Minister of Finance will not reveal, obviously, what he wants to say in the Budget. But the Tory Government cut those premiums paid by workers by 17 per cent six days before the election.

Will the Deputy Prime Minister guarantee us and Canadians that at least this election commitment will be kept by the Minister of Finance?

• (1120)

Hon. Barbara McDougall (Minister of Employment and Immigration): The Hon. Member, Mr. Speaker, knows full well what the formula is for the premium structure in unemployment insurance and that an independent commission has a mandate to establish the premiums. They have been doing that every year, Mr. Speaker, going back into the mists of time. The Leader of the Opposition knows full well that any changes to funding, any kind of funding, come in a budget, but the legitimate changes that were made last fall were made by an independent unemployment insurance commission, just as they have been done through years and years of unemployment insurance.

* * *

ABORIGINAL RIGHTS

POST-SECONDARY EDUCATION – STUDENTS' HUNGER STRIKE

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Indian Affairs on the unfair practices of the Government with respect to native post-secondary education. Last night I met with several chiefs from the riding of Kenora—Rainy River. People have come from across Canada to support native students who are in their twenty-fourth day of fasting. Can the Minister tell me how I can explain to those Chiefs who have travelled great distances to Ottawa what he means by his words:

> There is no need for them to continue in this dangerous and essentially undemocratic undertaking.

How can the Minister say this when nothing has been resolved? Why, Mr. Speaker, do people in this country have to go to extremes to get their message across to this Government?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): First of all, Mr. Speaker, I want to indicate to all Members of this House, to all Canadians and particularly to the native students that are involved in the hunger strike, that they do not have to resort to a hunger strike to have meetings with me. My hon. friend may have met with some Chiefs last night, Mr. Speaker. I have met with Chiefs also. I have met twice with Grand Chief Erasmus and a representation of 12 or 13 other Chiefs from across Canada. We have discussed this issue. Unfortunately there is no resolution to date because their demand is unreasonable.

Some Hon. Members: Oh, oh!

Mr. Cadieux: All I am asking is that they do put an end to the hunger strike, that they sit down with me and discuss this policy which I am prepared to discuss with them, this policy that they themselves find unreasonable. First Nations find Circular E-12, which is the old policy, to be unacceptable and totally inconsistent with the principle of First Nations' jurisdiction over education. We agree, Mr. Speaker. We have got new guidelines that are more generous, and I am prepared to look into them again. If they can improve, we will certainly look into it.

BILATERAL PROCESS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I wish to direct a supplementary to the same Minister. We have sat here in the last few weeks and listened to this rhetoric over and over again. I would like to ask the Minister today to give us a hand and commit himself to begin a bilateral process with the Indian people, without restrictions on time and demonstrate respect on behalf of all the people in this House to the native peoples and First Nations of our country.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): I do not know, Mr. Speaker, who is getting entangled in which rhetoric. If the Hon. Member, and the others who are yelling across the floor, have been listening to what I have said, I have already indicated that I am prepared to sit down and discuss the new guidelines. In my mind bilateral means that there will be representatives of my Department and/or myself and representatives of the native students and/or the Chiefs obviously. That is bilateral. That is

what I have been saying, and that is to what I am committed. As soon as the students put an end to their hunger strike, come and meet with me. My door is open.

REQUEST FOR GUARANTEE OF MEETING

Mr. Ray Funk (Prince Albert—Churchill River): My question is also to the Minister of Indian Affairs. As we have heard, Mr. Speaker, this is the twenty-fourth day of a fast by 16 young Canadians. I trust that I speak for all Canadians when I say that this is a situation that cries out for resolution. Would the Minister confirm that, upon receiving notification that the fast has ended, he will initiate a substantive and effective bilateral process of consultation and ensure that this process includes recognized representatives of both the Indian leadership of this country and of the students, confirm that there is no predetermined cap on future funding and that it is his intention to seek such funding within the budgetary framework as required to meet the demand? Will he include an effective mechanism to address the treaty applications of this issue within the bilateral process and ensure that during the interim period no individual Indian students will be worse off than they would have been under the old guidelines?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to thank the Hon. Member, for his question which I think was a very reasonable one. I have already indicated from the very start of this unfortunate hunger strike that I was ready to discuss the new policy. I agree with First Nations when they say that the E-12 document, the old policy, obstructs rather than facilitates post-secondary education for First Nation students. We have brought in a better policy. If it can be improved, let us sit down like reasonable people and discuss it. I am prepared to do that, Mr. Speaker.

Some Hon. Members: Hear, hear.

MINISTER'S POSITION

Mr. Ray Funk (Prince Albert—Churchill River): I thank the Minister for his response, but I was wondering did the points which I in fact outlined represent his position? If they do, do they also represent the position of the Government?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): My understanding of government operation, Mr. Speaker, is that when a Minister puts down a policy, it is the position of the Government. Therefore, yes, the policy that is there now since April 1, and that will take effect on September 1, is a better policy. But I am prepared to review it.

I have another document, Mr. Speaker, which is the analysis of our policy prepared by the students, and they say, "the new rates proposed in March are higher than those available under the old E-12 post-secondary policy and guidelines".

It is already better, Mr. Speaker. If we can improve on it, let us do it under normal circumstances.

Some Hon. Members: Hear, hear!

MINISTER'S UNDERTAKING

Mr. Ray Funk (Prince Albert—Churchill River): As a further supplementary, I am sure we welcome the intention of the Minister to improve the situation. I would like to ask him again—do the points that I outline accurately represent his thinking on this issue?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): If the Hon. Member, Mr. Speaker, is referring to my undertaking to sit down with the students themselves once they put an end to their hunger strike, and/or representatives of native people including Chiefs, I am prepared to sit down and meet with them once the hunger strike is over. Yes, Mr. Speaker.

MINISTER'S MEETING WITH SENIOR EDUCATORS

Mr. Doug Fee (Red Deer): My question, Mr. Speaker, is also for the Hon. Minister of Indian Affairs and Northern Development. It was reported last night that he met with two senior educators from northern Ontario at their request in an attempt to end this hunger strike by native students. Inasmuch as a demonstration by natives is currently in progress, I am wondering if the Minister can report to this House on the progress of that meeting last night?

An Hon. Member: He did if you would listen.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): I will obviously thank this Hon. Member for his question also which I think is a very reasonable request. If my friends from across the floor really listened to what I said, they would have realized that I referred to meetings with the Chiefs and the Grand Chiefs, not with these two representatives of the universities in Thunder Bay where I am informed, Mr. Speaker, most of the hunger strikers come from. I have met with them and they are as concerned as I am with the process that is being followed in this particular instance which is a hunger strike, and they agree with me that it should end and that we should sit down and discuss the issue, Mr. Speaker.

UNEMPLOYMENT INSURANCE

FUNDS REDIRECTED TO TRAINING – EXPENDITURE LOCATIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): My question, Mr. Speaker, is for the Minister for Employment. Under the existing Unemployment Insurance Program, the legislation assures that the Unemployment Insurance Fund, that is unemployment insurance money, will go to unemployed workers in the regions where they live, very often the regions with the highest unemployment. Under her new proposals, what will she do as Minister to assure that the $800 million redirected to training and human resource planning will go to these same individuals, the unemployed in Canada, in the provinces where they live? Will she put this requirement in the law as it now is, or will this targeting be left to the discretion of the Minister, which means the money could end up very often in the high growth areas of the country rather than go to the underdeveloped areas of the country?

• (1130)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me point out, for example, that the money going into Newfoundland as a region will be higher under this program than it is under the old program.

The training under unemployment insurance is voluntary. We are not forcing people to take training. We are saying that we will provide accessibility to training under this program, which people will want to take. We will do it under the Community Futures Program which benefits the high unemployment regions in this country, as we have been doing under the Canadian Jobs Strategy. The funds will be directed to those who have the greatest need.

Mr. Allmand: Mr. Speaker, she is taking $800 million out of the fund and redirecting it to matters that are not purely protection for the unemployed. There is no assurance that that $800 million will go back to the provinces and the people who need it most.

WHITE PAPER – REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Minister states in her White Paper that a Bill will be introduced in the spring of 1989. We are now in the spring and I presume she will introduce the Bill quickly. She also says there will be major consultation between the Government, business, labour, education and the provinces, but she says nothing about Parliamentarians who must make a decision on this matter.

Will she agree to refer the White Paper she has produced this week to the Standing Committee on Labour, Employment and Immigration as quickly as possible early next week, with a mandate to have a wide range of hearings across the country on this important matter that touches all Canadians?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, when we provide so much better training for Canadians and better benefits for workers, I am sure the Hon. Member would like to see the legislation and discuss this when he has all the information in front of him—

Mr. Allmand: No, right now. Before the legislation.

Mrs. McDougall: —that makes some sense for the way Parliament works.

UNEMPLOYMENT IN BLACK COMMUNITY – EFFECT OF CHANGES TO SYSTEM

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the changes she has announced for the Unemployment Insurance Program. The Minister will agree that visible minority groups such as our native and black communities suffer disproportionately the burden of unemployment. In my constituency the rate of unemployment in the black community is often eight times the normal regional rate. Will the Minister not agree that her changes will hit hardest those communities, forcing them on to the welfare rolls, and will cause further ghettoization of these groups in our society?

Hon. Barbara McDougall (Minister of Employment and Immigration): No, Mr. Speaker, that is not what will happen. If the Hon. Member looks at the Canadian Jobs Strategy he will see, for example, that our job training planning since 1985 has been directed specifically at doubly disadvantaged groups, at groups like visible minorities, the disabled and others who have particular needs. We will continue to do that under the new scheme.

Mr. MacDonald (Dartmouth): I thank the Minister, but those assurances do not put bread on the table of the groups affected the most, the minority groups in this country.

EXPENDITURE OF FUNDS—REQUEST FOR AFFIRMATIVE ACTION STIPULATION

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, in the documents tabled on Tuesday the Minister slashed benefits and indicated that more moneys would go to training programs. Will the Minister give the House an assurance that she will attach an affirmative action provision to the spending of these funds to ensure that those minority groups who will be devastated by these unfair changes will be given priority consideration, or will she continue to show callousness in the treatment of these minority groups?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I do not believe anyone in this Government can be accused of callousness towards minority groups—

Some Hon. Members: Oh, oh!

Mrs. McDougall: The Canadian Jobs Strategy provides exactly what the Member is asking for. Let me say as well that we have a very large program for social assistance recipients. If the provinces co-operate we will have $200 million more available for social assistance recipients. I would expect, as under the Canadian Jobs Strategy, that those are the people most in need. Many of them are visible minorities. Many of them are single mothers who are also doubly disadvantaged. We are targeting this directly, with an additional $200 million to make it an $800 million program, to groups with particular needs.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED WITHDRAWAL OF FINANCING OF PROGRAM—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Employment and Immigration. The newspaper *Le Devoir* revealed this morning that the Government is planning to withdraw from funding unemployment insurance. Another official quoted said that regional contributions would disappear. This means that every employee and every employer will have to pay 15 per cent more in contributions. Is it fair to pay more for less benefits?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): First, Mr. Speaker, I am a little tired of hearing from the NDP about fewer benefits.

Some Hon. Members: Oh, oh!

Mr. McCurdy: I guess you are.

Mrs. McDougall: The size of this program remains the same.

Mr. McCurdy: Let somebody else answer the questions, then.

Mr. Allmand: It is only 11.30.

Mr. Deputy Speaker: Order, please. I am sure the House would want to hear the answer from the Minister.

Mr. Turner (Vancouver Quadra): Democracy is really boring, isn't it, Barbara?

Mrs. McDougall: The size of the program remains the same. We are doing something that has been done before under previous administrations. We are altering the balance between the benefits for income support and the benefits for training, which get people off the need for permanent income support. It gives them a better chance at the future.

I should also point out that, as the Hon. Member knows, anything that has appeared on funding is speculation and straight buzz. Anything having to do with funding concerns the Budget and concerns the mandate of the Commission.

Mr. Langdon: Mr. Speaker, I feel for the tiredness of the Minister, but I feel a lot more for the people throughout the country who are going to be hurt by what she is doing.

An Hon. Member: Save it for the convention.

HARMONIZATION WITH UNITED STATES QUERY—MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, why does the Minister think she is justified in taking money from the pocket of every taxpayer in this country through increased contributions, in decreasing the amount unemployed people will get and at the same time setting up a situation in which people who are paying for an insurance program must pay more? How can she justify that? Is it simply a question of harmonization with the United States?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member's Leader started into this nonsense about harmonization yesterday.

Some Hon. Members: Oh, oh!

Mrs. McDougall: Let me say that the only things we are trying to harmonize are Canadian workers and Canadian skills with Canadian jobs and opportunities.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Let me point out the facts. In Canada we devote 2.24 per cent of Gross Domestic Product to unemployment insurance. The size of the Unemployment Insurance Program remains the same. That compares with 0.83 per cent of GDP in the United States. We spend more in this country, and that will continue.

Let me say more about the selective statistics on harmonization used yesterday by the Leader of his Party who picked five States in the United States that provide unemployment insurance benefits, none of which are equivalent to ours in any way at all. They do not include maternity benefits and parental benefits. My knowledge of the U.S. system began when I looked up a response to this ridiculous statement about harmonization.

* * *

• (1140)

AGRICULTURE

REPORT ON MEAT HYGIENE

Mr. Maurice Foster (Algoma): My question is directed to the Minister of Agriculture. I want to ask the Minister what action he is taking as a result of the previously secret document on meat hygiene revealed yesterday. This report is a startling document. It suggests that 2.5 million Canadians become ill each year, several hundred die, and losses to the Canadian economy in terms of wages, health care costs and human suffering are over $1 billion. I want to ask the Minister what action he is planning to take as a result of this document?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the Hon. Member knows, this food advisory safety committee was structured in 1986. It was made up of the Department of Agriculture, the Department of Health, consumer groups, unions and members of the industrial sector to look at safety standards, risks associated with the handling of food, and the inspection program.

If the Member wants to refer to the report, perhaps he might want to look at its conclusions. The report concludes that the observation of the committee was that the meat hygiene program is detecting the problems and adequately giving assurance that wholesome meat supply is reaching the Canadian public. It went on to say that there remains a great deal to be done in the area of food-borne disease incidents in Canada, which is not within the mandate of the hygiene program, especially as it relates to the handling of the product at home and in the food preparation area. It said the spread of many food-borne diseases may be prevented by proper cooking and handling of foods.

The conclusion of the advisory committee regarding the hygiene inspection division is that wholesome meat is reaching the Canadian public.

SALMONELLA INFECTION

Mr. Maurice Foster (Algoma): Of the 14 diseases covered in this report, which was secret until yesterday, I want to ask the Minister about the problem of salmonella infection. The report suggests that half of those people suffering from salmonellosis, some 313,000, are due to the meat inspection regime in this country. The losses involve almost $400 million, and some 300 deaths occur. The report makes recommendations about what should be done about salmonella infection in this country with regard to meat inspection.

With regard to this one disease, can the Minister say he has implemented the recommendations of the report?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): I want to repeat again the findings of the advisory committee. The committee said, and I quote: "Agriculture Canada is ensuring that wholesome meat is reaching the Canadian public". For the Hon. Member to stand up and sensationalize and dramatize this issue not based on facts, based on misinterpretation and erroneous conclusions, is an unfortunate situation. It does not do a great service to the agricultural industry.

With respect to salmonella, three years ago Agriculture Canada and Health and Welfare created a co-ordinating committee to look at critical points such as processing plants, hatcheries and feed mills where contamination could occur. The committee looked at ways and means of reducing the opportunity for this to happen. An action plan was implemented. As the Auditor General said in his report, 95 per cent of the action plan has been completed. There have been increased inspections. The Auditor General pointed out he was impressed by the dedication of the Food Production and

Inspection Branch management and the inspection staff and the high regard in which the branch is held internationally. That should give the Hon. Member confidence. I am sure it gives Canadians confidence as well.

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SPORTS

USE OF DRUGS BY ATHLETES – UNITED STATES – SOVIET UNION AGREEMENT

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. The United States and the Soviet Union recently entered into an agreement allowing for the testing of each other's athletes for illegal performance-enhancing drugs. The United States Olympic Committee stated they expect other countries to join.

I want to ask the Minister if he believes that Canada should become a participant, and if so, when can we expect an official announcement.

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): I want to congratulate the Hon. Member for Stormont—Dundas on his election and his appointment as associate critic for fitness and amateur sport.

The issue of doping is extremely important in Canada. It was important for this Government in 1985 when we brought in the first policy, one of the most severe domestic policies in the world, in the area of anti-doping. In 1987 the Government brought forward an anti-doping strategy under the leadership of the then Minister of Health and Welfare that affords a multi-dimensional approach. In June of 1988 we had the first international anti-doping conference in this country due to the leadership of my predecessor. We have played a leadership role in the world. We intend to pursue that leadership role. We will look closely at any association we can enter into that will help Canada and this Government fight doping in this country.

GOVERNMENT POSITION

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I am neither the critic nor associate critic. I am a co-critic.

In a recent poll, 87 per cent indicated support for frequent and surprise random drug testing and for Canadian amateur athletes, especially before an international competition. Given the results of this survey, I want to ask the Minister if he will act immediately and announce Canada's willingness to join this program?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): I am a little intrigued. When the Member for Stormont—Dundas and his colleague are together, does that make them co-co's?

There is now a commission of inquiry looking into the issue of doping in sports. The terms of reference are very large. As far as the Government is concerned the inquiry is proceeding in a good way. We anticipate there will be recommendations coming out of the inquiry. In the meantime, the Government of Canada intends to maintain its leadership role in its fight against anti-doping in sport, and we will look into any agreement or any action we can put forward to help us in this fight.

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THE ECONOMY

INCREASE IN BANK RATE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. The bank rate rose by some ten bases points yesterday. Real interest rates are at the same level as they were in 1981 when this country went into a recession from which many Canadians have not yet recovered. I want the Minister of Finance to explain why he is stubbornly insisting on repeating the Liberal mistakes of 1981 and 1982? Why has he not urged the Bank of Canada to bring down interest rates in this country in order to avert and avoid another recession? Why is he acting like Allan MacEachen?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are doing precisely the opposite of what the Hon. Member is saying we are doing. We are not repeating the same mistakes. The previous mistakes were made in the 1970s when inflation was allowed to get out of control. That led to the problems we ran into in the early 1980s.

The Hon. Member is asking me to ask the Governor of the Bank of Canada to print more money when today we are reminded that inflation is running at high levels. We must ensure we stop inflation from getting out of hand. If we allow it to get out of hand by printing more money, then yes, we will have the same problem we had in 1981 and 1982.

Mr. Nystrom: In 1981, the Minister of Finance, who was then in opposition, said a high interest rate policy would provoke a recession in this country. Now he is nothing more than the clone of Allan MacEachen.

• (1150)

[*Translation*]

INTEREST RATE INCREASE—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, a few weeks ago, the provincial premiers, including that friend of the Government of Canada, Robert Bourassa, called for lower interest rates in Canada. And yesterday, the Canadian Catholic bishops asked for exactly the same thing. My question is: Can the Minister now explain to the House why he does not listen to the provincial premiers, why he does not listen to the bishops of Canada, and could he now explain how high he intends to let interest rates rise before acting for the Canadian people?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do listen to the Premiers. I do listen to the Catholic Bishops. I will listen to the advice of anybody who cares to provide me with advice. However, at the end of the road we must decide how to take that advice and how to use that advice. All the advice that is coming to us from those particular quarters can only be interpreted as saying "print more money".

Printing more money will not solve the inflation problem. It will compound the inflation problem. Compounding the inflation problem will lead to higher interest rates. Higher interest rates will lead to the problems that we ran into in 1981 and 1982, and then the high levels of unemployment and the serious recession that we had at that time. That is precisely what we are trying to avoid.

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ABORIGINAL AFFAIRS

STUDENTS' HUNGER STRIKE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, before the week ends I want to put a question to the Hon. Minister of Indian Affairs and Northern Development.

The Minister can sense, as we all can, that the tensions are rising among our Indian peoples. The Minister has proved that he can be a hard-nosed negotiator.

I want to suggest to the Minister that it is not a crime for native students to protest the policy that, in their view, and in our view, prejudices post-secondary education for the aboriginal peoples. The Minister is not dealing with criminals or terrorists, but he is dealing with young students.

I wonder if the Minister could not make a little more effort to find a formula that will allow him to sit down with those students before this situation escalates even more?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to thank the Hon. Member for his very serious question.

I want to repeat what the Hon. Member said a few minutes ago in a comment that was made during the answer of one of my colleagues. The Right Hon. Leader of the Opposition said "democracy is boring".

It might be boring, Mr. Speaker, but it works. I believe in democracy. We have a policy that is in place right now. It has been in force since April 1, effective in reality September 1.

As I have been from the outset, I am prepared to sit down with the students, in normal circumstances, and go over the policy. I am also prepared to do that with the Right Hon. Member, if he wishes, with other Members of the House, and with other representatives of the native population. I am prepared to sit down and talk, in normal circumstances, with the students in particular.

REQUEST THAT MINISTER SEEK FORMULA TO BEGIN DISCUSSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I do object, parenthetically, to the Minister taking that remark out of context. It was in response to a remark made by the Minister of Employment who said "I am tired of the NDP". I shouted to her: "Democracy is boring, isn't it, Barbara?" That was the context in which I made the remark.

I believe in democracy as does anybody in the House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That was a bit of a cheap shot taking that remark out of context.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): All the students want is the Minister to accept the moratorium so that bilateral discussions can begin with them. I find that a reasonable proposition, and I hope the Minister would.

I hope that over the weekend the Minister can find some formula to resolve this matter and begin discussions with the students and with the representatives of the Indian nations.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps contrary to other Members in the House, particularly those on the other side, if it was a cheap shot, I apologize.

If the Hon. Member really believes in democracy, he will join with me and urge those students to put an end to that hunger strike and then we will discuss.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ENVIRONMENT

ECOLOGICAL INCIDENT IN SHAWINIGAN REGION – GOVERNMENT POSITION

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, we heard earlier this morning of yet another ecological incident which supposedly happened in the Shawinigan are, at Goodrich?

Can the Minister of the Environment tell us what measures his Department intends to take with regard to this situation?

[*English*]

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps I could answer on behalf of the Minister. I thank the Hon. Member for Terrebonne who has brought this matter to our attention.

Indeed, an incident was reported to us yesterday by the B.F. Goodrich Company. A harmful substance, which is a regulated substance, has escaped as a result of a faulty check well. It was immediately reported, and the Minister has dispatched someone to the scene to give technical advice and to make an assessment.

No injuries were reported. The gas is dispersed into the atmosphere. The company is required, within 20 days, to give us a full report, which includes any remedial action to make certain that such an accident will never occur again on this particular site.

* * *

[*Translation*]

FISHERIES

SITUATION IN ATLANTIC REGION – GOVERNMENT POSITION

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is to the Minister of Fisheries and Oceans.

Last Wednesday, in response to one question, the Minister of Fisheries and Oceans appeared to have said that things with the Atlantic fisheries were not so bad and that the matter would resolve itself.

Mr. Speaker, I am very concerned. Is the Minister telling us that the market forces will eventually succeed to settle the problem? Is he saying that now the fate of the fishermen, the plant workers, and of the communities along the cost is left entirely to the market forces?

Is he, in fact, saying, Mr. Speaker, that we don't need extraordinary measures to settle this matter?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I would like to begin by complimenting the Hon. Member for Beauséjour on his designation as the lead spokesperson for fisheries on the part of the Official Opposition.

It is important that all Members of the House understand that there is indeed a serious shortage of fish stocks in Atlantic Canada this year for a variety of reasons. Coupled with depressed prices in the past year in particular this has led to some serious problems in communities in the various regions of Atlantic Canada.

That is why we have taken a number of initiatives to address the question of over-capacity to encourage the more efficient utilization of non-surplus stocks, as I mentioned in the House the other day, such as redfish, pollock, and turbot.

With the assistance of the Hon. Minister of Employment and Immigration we have put in place a number of initiatives under the Canadian Jobs Strategy directed at finding alternative employment and assisting specific communities that are hard-hit at the present time by this shortfall of fish stock supply.

I should point out to the Hon. Member that only two days ago in New Brunswick my colleague, the Minister of Consumer and Corporate Affairs, together with his provincial colleagues, announced in New Brunswick a $5 million retraining program as one of the measures of assistance that the Government is giving to address this serious issue.

[*Translation*]

Mr. Robichaud: Mr. Speaker, the measures announced by the Minister are just not good enough.

[*English*]

PLANT CLOSURES – EFFECT ON FISHERMEN

Mr. Fernand Robichaud (Beauséjour): Can the Minister tell the House what he is going to do when hundreds of fishermen are idle in port? After fish plants have closed their doors and hundreds of workers are laid–off, what are these people going to do, and where are they going to go?

Surely the Minister is not naive enough to believe that changes to the UIC Act and retraining will bring back prosperity to those communities along the coast? Surely the Minister is not that naive.

• (1200)

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am certainly not naive. However, I do believe in the context of the debates in this House this week about the future of the Unemployment Insurance Program that it is important to recognize the need to diversify the economy and the range of opportunities available to the people of Atlantic Canada.

Notwithstanding that fact, I take seriously my responsibility for the conservation of these fish stocks. If we are to see them rebuilt, to restore the abundance which has been the mainstay of the Atlantic Canadian economy, we must all work harder to ensure that these quotas are respected and that in Atlantic Canada where we can help that we assist in the adjustment measures that are necessary in many of these communities.

Mr. Deputy Speaker: I will close Question Period with one question from the Hon. Member for Mackenzie.

Interparliamentary Delegation Report

FOOD

EXPANDED USE OF IRRADIATION

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare (Mr. Beatty). Canada has now expanded the use of food irradiation by changes to regulations in spite of the example of the British experience with this technology which showed that it created more problems to the food system than it solved.

Did the Minister's Department study the British experience with food irradiation? If so, why is Canada persisting in using irradiation after the British tried it and have now prohibited its use?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, there is a certain irony in the fact that the hon. gentleman should ask this question when just a few minutes ago there was another question from a member of the Opposition with regard to salmonella poisoning. The only way that we can be sure of 100 per cent eradication of salmonella bacteria is indeed by irradiation.

The Department of National Health and Welfare has indeed taken a look at the international experience. We are also aware of the position taken by groups such as the FAO and the World Health Organization. Our position is that we want to do what we can to ensure that consumers are safe and that they are spared disease caused by food–borne bacteria.

ROUTINE PROCEEDINGS

[*English*]

BANK OF CANADA

TABLING OF ANNUAL REPORT

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table the Annual Report of the Bank of Canada.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Bruce Halliday (Oxford): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Commonwealth Parliamentary Association, the report of the official parliamentary delegation which represented Canada at the thirty–fourth Commonwealth Parliamentary Association in Australia from September 18 to 25, 1988.

STRIKING COMMITTEE

PRESENTATION OF REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the first report of the Striking Committee.

If the House gives its consent, later this day I intend to move concurrence in it.

Mr. Deputy Speaker: As Hon. Members are aware, when a report of this committee is presented to the House and concurrence of it is sought at the same sitting, it is the custom of the House to have the Clerk at the table read the entire report to the House. Since this report is lengthy and copies of it are available at the table, may we dispense with its reading?

Some Hon. Members: Agreed.

[*Editor's Note: See today's Votes and Proceedings*]

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, if the House gives its consent, I move that the first report of the Striking Committee presented to the House earlier this day be concurred in.

Mr. Deputy Speaker: Does the Hon. Member have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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PETITIONS

REFUGEES—CALL FOR HUMAN TREATMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I have a petition to present which asks for the humane treatment of refugee claimants in the backlog. It asks that all refugee claimants who have notified Canada Immigration of their intention to make a claim be considered eligible for immediate employment autho rizations and a case review of their claims, that such review include humanitarian and compassionate grounds traditionally used by Canada Immigration, including the presence in Canada of relatives and the successful establishment of refugee claimants in Canada. The petitioners ask that special consideration be given to those refugee claimants fleeing war zones, oppressive Governments and natural disasters.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I ask that all remaining questions be allowed to stand.

Mr. Murphy: Mr. Speaker, I have a question to ask of the Minister. When does he expect that he will start answering questions?

Mr. Charest: Soon, Mr. Speaker.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Richardson for an address to Her Excellency The Governor General in reply to her speech of the opening of the session.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, may I at this time convey my sincere congratulations to the Speaker on his convincing re-election as this House's principal officer. To borrow from Gilbert and Sullivan's Pirate King: a first ballot victory,"it is a glorious thing". I look forward to benefiting from his counsel and direction over the coming years. I am certain of the impartiality with which he will discharge his high office.

I understand it to be the custom on these occasions for the new Member to praise the excellence of his riding, presumably best evidenced by the fact that she or he represents it, and the profound wisdom of those who live there, presumably best evidenced in their, occasionally otherwise inexplicable, willingness to elect her or him. If I may, I would prefer simply to describe Edmonton East and some of the elements which make it the unique and challenging place that it is.

Edmonton East suffers no lack of government. First, Edmonton's City Hall, old and projected both, are in Edmonton East. Second, Canada Place, the architecturally striking new federal building, is in Edmonton East. By the way, Canada Place includes the new joint office of the Hon. Members for Vegreville and Yellowhead. This is presumably an attempt to disguise the fact that Edmonton, alone among major Canadian cities of its size, and despite the fact that it is the capital of the most Tory province in Canada, has no direct representative in Cabinet. Regardless, I welcome my hon. colleagues to Edmonton East and hope they enjoy the many fine attractions of the riding.

Third, Edmonton East is the home of the Alberta Legislative Assembly, which I suppose makes me the MP for the provincial Tory Government. This is in some respects a particularly onerous burden but one that I will discharge to the best of my abilities consistent with my own conscience.

Mostly, Edmonton East is the vibrant, throbbing working-class heart of Edmonton. The Gainers Plant, that national symbol of successful worker resistance to the anti-union machinations of a ruthless and intransigent employer, and a former Tory leadership candidate, is in Edmonton East. So is the main Edmonton station for Canada Post and VIA Rail, and a host of smaller manufacturing and commercial firms. As well, a large part of the workforce for the city's east-end chemicals and refineries operations live in Edmonton East.

Edmonton East is also the cultural heart of Edmonton. The city's major theatre, the Citadel, is there, as are several of the smaller innovative theatre companies that continue to make Edmonton the leader in live theatre in Canada. Edmonton East hosts the annual visual arts festival "The Works", and at least part of the Jazz City events. Edmonton's library system, consistently among the most used in all of Canada, is entered in the Centennial Library in Edmonton East. Our three main sporting facilities: baseball's John Ducey Park, the Grey Cup champion Eskimos' Commonwealth Stadium and the Coliseum, home of the present and future Stanley Cup champion Edmonton Oilers, all are in Edmonton East.

• (1210)

Edmonton's inner-city poverty, squalor, unemployment, in some neighbourhoods as high as 30 per cent, broken lives, food banks and other crisis services, these are in Edmonton East, too. Here is where cuts in services and unemployment insurance and hikes in sales taxes are most keenly felt. Here is where the effect of Tory Governments can be seen at its starkest and most terrible.

Finally, Edmonton East is home to a wonderfully varied and vibrant community of communities. The tongues of the earth mingle here in commerce, recreation, worship and family life. Ukrainian, German, Polish, Italian, Spanish, Portuguese, Greek, Chinese, Vietnamese, Arabic and a multitude of others can be heard frequently on the streets of Edmonton East. All of these heritages, Mr. Speaker, come together to make Edmonton East the place that it is.

From the working class struggles of 66 Street, to the more private but nonetheless real struggles simply to continue waged by the independent businesses on 118th Avenue, to the celebrations in Giovanni Cabota Park, to the average working families trying to keep up a mortgage in Claireview, all of this is Edmonton East. I can assure you, Mr. Speaker, it is a singular honour to be granted the job of representing so varied and vibrant a constituency. It is my fervent hope to do just that to the very best of my abilities.

In representing Edmonton East and the people who live there, I will be bringing a new voice into this Chamber, a voice not heard here for decades, a voice not of wealth and power, but of ordinary people and their communities. It is the voice of that other Alberta that does not content itself with Tory shibboleths. It is the voice of that Alberta which is consistently and grievously hurt by this Government's high interest rate policy, and that demands those interest rates be lowered and lowered substantially. It is the voice of that Alberta which knows that passenger rail service is the most efficient and cost-effective means of mass transport that there is, and demands not the dismantling of VIA Rail, but its expansion including the provision of a new high speed link between Edmonton and Calgary.

It is the voice of that Alberta which does not fear the development of energy alternatives as a threat to Alberta's interests, but rather welcomes such development as the only rational course of preparing for the future and fighting the ominous greenhouse effect.

It is the voice of that Alberta that demands new answers to the problems facing Canada's family farms, answers that will facilitate rather than prevent generational transfer of land and that will ensure farmers a reasonable return on their labours.

It is the voice of that Alberta which rejects the doctrine of international fear and hatred and that seeks to extend the hand of friendship to all those on our planet willing to work with us in the creation of a new and better world, while holding out the rod of justice to those who would oppress and deny justice to others.

It is the voice of that Alberta that demands justice, fairness and safety in the workplace. That demands justice for our native people who for too long have been treated as an inconvenience at best and as peoples to be eliminated at worst. It is the voice of that Alberta which demands a thorough overhaul of our entire taxation system so that the concept of ability to pay is once again central, so that profitable corporations pay at least some tax, so that middle and low-income Canadians do not continue to be squeezed again and again by a government terrified of doing anything to distress its major corporate backers.

I will be bringing individual voices to this House as well, Mr. Speaker. I will bring into this Chamber voices of single mothers trying to raise a family and hold a job. I will repeat the cry of the elderly couple trapped, terrified and imprisoned in their home because the streets are not safe. I will throw out the angry snarl of the young person left to grow up without meaning or purpose. I will try to speak here with all these voices. But most of all, Mr. Speaker, I will speak with the collective, growing, ever louder, ever more purposeful, ever stronger voice of that large majority of people in Edmonton East who work for a living, who seek new and better truths and who will build a new and better Canada.

The Throne Speech, Mr. Speaker, where it is not pious wish or half-truth is yesterday's news and tomorrow's cast-off. The people of Edmonton East know better. They can see more clearly and farther. They can hear clearer tones struggling to break through the white noise of such chatter. They will not stand still. They will work together. They will build together.

A century ago, Mr. Speaker, an English Victorian poet by the name of John Addington Symonds wrote a poem about what we could be, about the world we could build. It is called *These Things Shall Be*, and it reads in part, "These things shall be: a loftier race than ever the world hath known shall rise, with the flame of freedom in its soul and the light and knowledge in its eyes. Nation with nation, land with land, unarmed shall live as comrades, free. In every brain and heart shall throb the pulse of one humanity. New arts shall rise of loftier mould and mightier music thrill the skies, and every life shall be a song when all the earth is paradise".

A utopian impossibility? Of course, but I would rather devote my life to striving after such a beautiful, mighty goal, however impossible, than live for five seconds in inert contentment with the gray chaos and inhuman imperatives of the market-place.

And you know what, Mr. Speaker? I do believe the electors of Edmonton East are similarly inclined. Thank you very much.

Mr. Deputy Speaker: Question or comments? The Hon. Member for Lethbridge (Mr. Thacker).

Mr. Blaine Thacker (Lethbridge): Mr. Speaker, I compliment my friend opposite for the many things he said, but I think the underlying thing that he was trying to get across to the House is that he is going to respond to the people. We often hear that from the NDP, that they are going to respond to the people. That people are more important than us, and I agree with that. Let me ask him this question: We know from polls going back for dozens of years that well over 80 per cent of the people believe in capital punishment for first degree convicted murderers. Is my friend opposite going to respond to the people on that, or is he going to impose the NDP ideology on the people?

Mr. Harvey: Mr. Speaker, I thank the Hon. Member for his question. No, it is not my intention to impose NDP ideology on anybody,just as I assume it was not the intent of the Government to impose Conservative ideology when it allowed for a free vote in this House which, with the support of many Conservatives, rejected capital punishment.

An Hon. Member: What will you do for the people in your riding?

Mr. Harvey: What I will do for the people is argue in this House that the social conditions that give rise to the want, deprivation, and death from the inside out that creates murderers be addressed, rather than murdering murderers.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Resuming debate. Questions and comments.

Mr. Waddell: Yes, I would like to make a comment and ask my friend a question. I was most impressed, as I am sure most of the Members of this House were, when the Member said that he would be a voice not for wealth and power, but for working people in this House, and that would be a pleasant change from the previous Conservative Members from Alberta. We are glad we have a New Democrat representing Alberta, another voice from Alberta, and an articulate voice with passion. I congratulate him for his speech.

There is only one thing that I disagree with. When he predicted that the Oilers would win the Stanley Cup, I thought the Canucks would win the Stanley Cup who are based in Vancouver East, my old riding area. Perhaps I can make a bet with the Hon. Member. I would expect odds of course on that.

• (1220)

He raised the interesting point of regional theatre being based in Edmonton. As culture critic for my Party, I would like to know more about it. We are sometimes asked to give money to central theatre and institutions but I understand that regional institutions and theatre are growing rapidly.

Would he expand on the subject of theatre in East Edmonton, which is a working class area in the West, far from the central region where governments pour most of their money.

Mr. Harvey (Edmonton East): Mr. Speaker, right now there are a half dozen theatre companies in Edmonton, not counting the internationally successful Fringe Theatre event that occurs annually in the Strathcona district of Edmonton. Of those half a dozen companies, I believe four are located in Edmonton East. Much of their work is presented in the Centennial Library Theatre and in a smaller theatre space just west of the Coliseum.

All of them devote a substantial amount of their time and effort to the production of new Canadian, often Albertan and occasionally Edmontonian, plays. All of them can be seen to be theatre with a definite regional focus in that they are all drawn from that community and therefore must reflect the community of Edmonton, as it is their experience.

Many of those plays are locally generated and of consistently high quality. That is why I can say in the House, and say without fear of contradiction, that Edmonton does lead the country in production of live theatre. I believe most people would acknowledge that.

Let me return briefly to the matter of the Stanley Cup. I understand the joy the Hon. Member must feel at this time: that he may anticipate at least some Stanley Cup action in his town after years of grievous disappointment.

However, I regret to inform the Member that it is, to be charitable, unlikely that this joy will continue much past the next series of play-offs. I apologize for being the bearer of these unfortunate tidings, but I remain unshakeably convinced that the Stanley Cup will continue to reside in Edmonton.

Mr. Deputy Speaker: If the Speaker may interject, I think it will reside in Montreal. This year it will not reside in Toronto.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I appreciate the opportunity to participate in this debate on the Speech from the Throne in my new capacity as Minister of State for Housing. You and other Members of the House may find it somewhat strange, perhaps even astounding that I would want to participate in a debate on a Speech from the Throne when the House will note that there was not a mention of housing in the Speech.

Bearing all of that in mind, and bearing in mind that the lack of a mention of housing in the Speech from the Throne may indicate a lack of government commitment, a lack of government concern or a lack of prioritiy for housing, I must point out that it overlooks the fact that on January 30 of this year, the Prime Minister (Mr. Mulroney) appointed for the first time in this country a Minister of State for Housing who would be solely responsible for housing, with no other responsibilities.

As the House will know, there have been Ministers of Public Works who are also responsible for Canada Mortgage and Housing Corporation, which is the housing arm of the federal Government. We have had before Ministers of State for Urban Affairs. The Mem ber for Papineau—Saint-Michel (Mr. Ouellet), who was in the House until a moment ago, was one of those Ministers. We have had a Minister for International Trade respon-

sible as well for housing. However, until now, there has never been a federal Minister responsible for nothing but housing. I hope that sends a message to the Opposition and the people of Canada, because I know it sends a message to me personally and it sends a message to all of the employees of Canada Mortgage and Housing Corporation, the federal housing authority.

The message is that for the first time they have their own Minister, someone responsible for nothing but housing. These people are extremely dedicated to delivering housing for Canadians, to putting a roof over the heads of Canadians. I sense they feel an special glow as a result of the fact that they now have a Minister responsible for housing federally. They are also people who have a deep commitment to housing and making sure that housing in Canada, at the federal level, is delivered in a businesslike manner but at the same time a compassionate manner. They are people who care deeply about making sure there is a roof over every Canadian's head. I think we have sent a message to the employees of Canada Mortgage and Housing Corporation by this appointment.

It may be understandable as well that some may feel that the appointment of a Minister solely and wholly responsible for housing has been weakened somewhat by the fact that there was no mention in the Speech from the Throne of the issue of housing.

Again, I point out to you that we have been here for other Throne Speeches and have seen some things mentioned that have not proceeded and some things not mentioned that have proceeded.

Of course, back in the last Parliament, in the Speech from the Throne of 1986, the House will recall that there was no mention whatsoever of housing. In the same Speech from the Throne there was a mention of the fact that legislation would be proceeded with and passed on the subject of pornography. In fact, there was action on housing, with the Downsview Airport property being released last September, specifically for the purpose of housing. As far as pornography legislation is concerned, that has still yet to surface and pass into law.

While Speeches from the Throne may be extremely significant, they are certainly not the be-all and end-all of Government policy and the be-all and end-all of government commitment. Having said that, I think it is important for you and all Members of the House to know that I personally place a very major priority in the area of housing in this country, at the federal level. In doing the job and trying to emphasize housing, trying to place that priority, I need the help of you, Members of the House, and that of all Canadians.

I was disappointed to learn that in a poll conducted for CMHC by Decima Research last August, only 22 per cent of Canadians as a whole placed a priority on housing in this country. That is very strange.

In my community of Metropolitan Toronto, the priority was much higher. It was closer to 50 per cent. When one considers that housing is such an important part of the life of all Canadians, the fact that only 22 per cent of Canadians placed this as a major priority is somewhat disturbing to me.

Part of my appeal to you as Members of the House and Canadians is to let us all start to give more priority to the issue of housing. That is the only way we will get action, whether it be at the federal level, provincial level, or municipal level. We need to make sure that all Canadians put that priority where it properly belongs.

When I was first appointed to this job I received a letter from a good friend of mine, a retired professor from the University of Toronto who has had vast experience in the housing area. His name is Dr. Albert Rose. Some know Dr. Rose as the father of the Regent Park Housing Project in Toronto, one of the first geared-to-income housing projects in this country.

• (1230)

Doctor Rose congratulated me on my appointment. He said "Welcome to Canada's permanent housing crisis". That indicates what my role is all about and what the problem is with respect to housing. It is not a flash-in-the-pan problem. It is not a problem of affordability in Metropolitan Toronto or Vancouver. Canada has many problems: The high cost of housing; high interest rates which make it difficult for people to make mortgage payments; low vacancy rates which mean there are no alternatives when tenants are required to move; the homeless; poverty; rehabilitating existing housing; housing for our native people on reserve, off reserve or in our urban centres. There are a vast variety of problems in housing in this country, but they differ widely.

One common thread weaves throughout our problems, and that is the notion of affordability. Traditionally, we were able to find affordability in Canada. People should not pay more than 30 per cent of their income to pay for their housing. The 1981 census indicated that 375,000 families in this country spent 50 per cent or more of their income on housing. Half of those families were young families with children. That identifies why, when we see the poverty line statistics and the problem with food banks, all of these are impacted upon by housing affordability. This is the root of many social problems we have.

How do we solve these problems? All levels of government play a role in housing. Municipal Governments play a role through their zoning by-laws and by controlling densities. They have an impact on the cost of housing and the supply of land available for housing. Provincial Governments play a role through rent control, the rent review process, their over-all planning process and as a partner with the federal Government in providing rent-geared-to-income housing. The federal Government plays a role in providing insurance for mortgages. Some people say this is an inhibitor to affordability. People could not get a mortgage if that insurance did not exist. Under the National Housing Act, Canada Mortgage and Housing Corporation has provided that insurance program and has helped to house thousands and perhaps millions of Canadians. It is interesting to note that 34 per cent of all households in Canada have mortgage insurance through Canada and Mortgage Housing Corporation.

Another role the federal Government has played and continues to play is through the provision of rent-geared-to-income housing or social housing, housing for seniors, families, singles, the disabled, people who cannot afford to pay the full market rents. Over the years, Canada Mortgage and Housing Corporation and the federal Government have played a major role. They provide 600,000 housing units geared-to-income from one end of the country to the other. That is being increased and added to each year to the extent of about 20,000 new units. The federal Government has a commitment of $1.6 billion that it spends on providing for rent-geared-to-income housing across the country every year. It is not a commitment you make one year and forget about the next. When you provide a rent-geared-to-income housing unit, it means you must go on and on. There are things the federal Government has done and others that it must do. That brings me to my role in the housing picture.

In viewing my role, I must bear in mind the fiscal framework in which the Government finds itself today. I cannot go out and say there is a pot of money there that I can spend so we can provide more affordable housing for Canadians. I must realistically look at how I can provide more housing with the resources I have available, bearing in mind the horrible fiscal deficit and the fact we spend 31 cents of every dollar to pay interest on the national debt, not providing housing for people.

Hopefully, we can provide more surplus federal Government land geared specifically to providing affordable housing. We have released the lands at Downsview. We are identifying other lands. We are in the process of moving forward with a program to make surplus land available for housing in major centres of concern like Toronto, Vancouver, and Montreal.

We are looking at ways to help first-time home buyers to reducing downpayments on mortgages. We are considering the possibility of using registered retirement savings plans and registered pension plans as a vehicle to aid first-time home buyers. We hope to co-operate closely with all levels of government in an effort to maximize the resources available to us.

Canadians may never solve what Doctor Rose refers to as "Canada's permanent housing crisis"; but it is certainly the duty of all Members of this House to do everything in our power to try. I want to make a commitment to you, Mr. Speaker, and to Members of this House that as long as I am the Minister of State for Housing in this country, I intend to do just that.

Mrs. Catterall: I am pleased to hear the Minister of State speaking on this issue. I bring a perspective to the debate because of having chaired the City of Ottawa non-profit housing corporation executive for a number of years.

I paid particular attention to the Minister's comments on fiscal framework and the percentage of all revenues going to pay for the debt. I believe there is reason to question that figure. I will come back to that in a specific question.

I am concerned about the comments with respect to public pressure. I hope we see policies from the Government based on things other than public pressure, such as the needs the Minister described and the importance of acting on those needs.

The Minister may or may not be aware that the Government over its last mandate reduced the amount of federal dollars going into housing. That has placed considerable pressure on the ability of non-profit organizations, co-ops and municipal corporations to provide housing for their communities.

Something he did not mention is that job generation is one of the prime benefits of investment in housing programs and that housing construction is the highest generator of jobs per dollar invested. If we want to reduce the deficit it would be extremely interesting to see what would be accomplished by having 1 per cent more employment and 1 per cent less unemployment with that 1 per cent paying taxes, not drawing on social benefits, and creating jobs for other Canadians by the purchase of required goods and services.

• (1240)

The land disposal question is the one that interests me most. I wonder if the Minister of State for Housing (Mr. Redway) is aware that in the last Parliament 150 acres of public land, formerly belonging to the Experimental Farm in Ottawa West, were sold on the private market. I am sure the Minister is aware that no conditions were attached to that sale, either that it be housing construction, or that it be affordable housing.

Is the Minister aware that an additional 10 acres in the immediate vicinity is currently on the market, and does he know whether conditions have been attached to that sale with respect to the affordability of housing, or indeed for the provision of housing at all?

Is the policy of the Government now to direct DPW that, in all land or property sales, housing should be a condition of the sale, where appropriate? I doubt very much that that is the case. I wonder why not and when the Minister plans to change that. In relation to that—

Mr. Deputy Speaker: I am sorry that I must interrupt the Hon. Member. There is only five minutes and the Hon. Member has already taken more than three minutes, and I would like to give some time to the Minister to reply.

Mrs. Catterall: The background is so important to the question, Mr. Speaker.

Mr. Deputy Speaker: I apologize. For the two days remaining in the Throne Speech there is only five minutes allowed.

Mr. Redway: Within her comments and questions the Hon. Member has asked a variety of questions. Obviously, I would like to address as many as I can. On the subject of whether or not funds in the budget for housing have been reduced, if the Hon. Member would carefully examine the Budgets of the federal Government over the period of time in which the present Government has been in office, she will find that that budget has increased each and every year.

It may be that it has become more difficult, even with those increases, to produce as many housing units as the City of Ottawa Housing Corporation, or other similar corporations would like to do, and I certainly sympathize with that concern. If the Hon. Member examines the Budget carefully, I am sure she will find that funds have been increasing and have certainly not been reduced in any way.

With respect to the question of housing construction being a job generator, there is no question that the Hon. Member is 100 per cent correct that it is one of the largest generators of jobs in the country, perhaps together with the restaurant industry. In any event, it certainly is a big generator of jobs. Over the last four and a half years, the Government has been trying very hard to bring down unemployment, put people back to work and get them paying taxes to help bring down the deficit. In fact, the Government has been extremely successful at that.

As the Hon. Member is aware, over the last four years Canada has led the western world in job creation, and in increasing its Gross National Product in each and every one of those years. We have been very successful, and I am sure the Hon. Member will applaud the efforts of the Government in that respect.

The question of land disposal does present a true problem. As the Hon. Member is aware, at the present time the policy of the Government, which was brought into effect in 1985, was that surplus government lands would be disposed of at market value.

The reason for that was that there were concerns about the manner in which former Liberal Governments had been disposing of lands, or hanging on to lands that were surplus. As a result, the Government introduced that policy at that time.

The whole question of disposal of lands and whether housing is an appropriate use is one of the areas in which I see myself playing a role. If the Hon. Member is aware of lands from the federal inventory that seem to be on the market or are about to approach the market that we do not have some handle on, I hope she will bring them·

to my attention. It is certainly my intention to do the best to make sure that, where needed—and it is not in every part of this country that surplus government land is needed for housing—we will do our very best to ensure that it is made available for badly needed housing.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, first of all, of course, I would like to take the opportunity to thank the voters of Gatineau—La Lièvre for the confidence and the honour that they have given me to represent them here in the House of commons. They and I would like to wish the Chair health and above all success as a fair and effective arbiter at all times, in spite of difficulties.

[*English*]

The constituency that I have the honour to represent witnessed, like all other areas of this great and unique land, the rise of a nation diverse in culture and language and dedicated to the concept that this is a country of opportunity and democracy, and equitable to all citizens.

One we obviously take for granted, while the others are at least debatable. A Speech from the Throne should always reflect these primary elements in our society. To what degree they are adhered to is a matter of ideology, or a point of view, if one prefers, but nevertheless a difference of approach.

Throughout our history many a debate has centered around these basic but treasured elements that constitute a truly democratic people. Our growth, notwithstanding a relatively small population and a vast land stretching from sea to sea, has been the more remarkable.

Prior to the First World War we were basically an agricultural society. After the First World War we became basically an industrial society. Since the Second World War we are in the age of information and high technology. We have become the creators, manipulators, and distributors of information with constant innovation necessary whereby scientific research and development are essential or we risk becoming a third-rate nation.

Has the Government lived up to expectations? I doubt it.

[*Translation*]

In the last four years, the Government, just before the 1988 election, felt it needed the assistance of the business community, big corporations that used exorbi tant amounts of money in the media to help it get the re-elected.

One may wonder why in 1984 free trade was not an issue at all. I could quote the man who is now Minister of Finance and even the Minister of External Affairs. But in barely two years, this Government came up with an option that the people had not consented to in 1984.

On the eve of the 1988 election, it was observed that the big interests in this country needed the present Government to help them protect their privileges and the interests that depended on them.

Unfortunately, the middle class has to pick up the pieces—I refer to the disadvantages that will arise from this agreement for years to come.

[*English*]

I would like to bring to our attention the fact that we have never had an equitable tax system, and it has become worse over the years. It is probably the most fundamental characteristic of a democracy. Yet the present Government promised to bring in reform. After raising taxes in 1984 we began to hear about reform. I believe that this will require an incredible amount of political will when one realizes that the financial elite of this country have access to the levers of political power more than the middle class.

• (1250)

Does the present Government have the freedom to come up with a true and equitable reform for our tax system? Is the middle class in this country so organized as to protect its interest, to promote and insist that an equitable reform is necessary and should take place? They are being manipulated by financial interest, the financial elite of this country. I think the attention has to be drawn to the fact that the middle class would have to realize this threat against its interest. The business community in this country has never really had to face adverse conditions, when you consider the great benefits in the billions of dollars that they have access to through the federal Government. Yet they have the nerve to point the finger to social programs. We saw their timely questioning of the social programs, naturally after the election, and very shortly thereafter. This continued lack of leadership by the Government to address the problem will lead this country to social unrest, increased poverty, and visible class divisions that are incompatible with this country.

When we consider these obstacles, we have to ask the question, where is the opportunity? What opportunity is there for four and a half million people who live below the poverty line, when you consider that in the 1.2 million jobs created in the last four years, nearly half are slightly above the minimum wage?

[*Translation*]

Need I also tell you that studies, masses of statistics, show that women on the labour market do not earn as much as men? Is this also a lack of opportunity for women to advance in the working world? I claim that a Speech from the Throne should touch on opportunity, democracy and the freedom to pursue one's own interests; basically, we want every citizen in our country to be treated fairly. And as I said in English, the taxation system is an extremely important factor in our democracy and it must at all times be fair for all our citizens.

[*English*]

Opportunity is the driving force of a prosperous and contented people. But I feel it is narrowing visibly, and the results are affecting the social fabric of our society. We must remember that when we have growing poverty, and especially growing inequality in our tax system, we are going to have growing unrest. The growing unrest that we knew in the 1960s will seem quite insignificant when we consider that people will rise from all parts of this country and point the finger that they have been treated in a fashion that is inequitable, that the tax system has been geared to the advantage of the financial elite.

I am sure that is not the first time it has been said here in the House, but the fact remains that this margin is growing, and we must address the problem as soon as possible.

[*Translation*]

Mr. Speaker, we heard in this House a number of speeches stressing the fact that we have a tax system that is unfair, especially to the middle income group. As we know, people in the middle-income group are quite busy earning their daily living. Unlike large corporations, they have no lawyers or other professionals to look after their interests on a daily basis and can make representations to government decision-makers in order to ensure that their interests are always protected or to find loopholes in our tax system. We should not expect that the people who are faced with higher taxes will always remain silent because they are the so-called "silent majority". Sooner or later, those people will rise up, and at that point there will be something akin to a revolution of the middle-class, who will demand explanations from the Government.

Looking at the deficit that is increasing yearly, what leeway will the Central Government have to impose new ones, and especially to tell middle income people: we are going to alleviate your tax burden. We will not be able to do so, and therein lies the danger.

To conclude, Mr. Speaker, there are three essential items in our society: opportunity, democracy, which means the freedom to further one's interest, and of course fairness. Those three items should never be lost sight of.

There is another very important item that was not mentioned in the Throne Speech—it is the whole issue of education, the gaps in our education system, the need for reforms and for perhaps more investment into education.

Doubtless an efficient and forward looking education system opens up new opportunities. I remember that a few weeks after the French President Mr. Mitterand was re-elected, the following question was asked of him: In your second seven-year term, what is in your view, the most important item for France? And his answer was that during his second term his only goal, the only thing he would like to achieve was an efficient reform of the education system that would bring France back, well prepared, into the 20th century, and were that goal to be reached, France would be at the top of the industrialized nations.

Of course, I was struck by that comment, and the more I think of it, indeed the best tool we can give our people is to see to it that we have the resources needed to make education in Canada accessible to all, as this is the best way to achieve a fair society and at the same time open up new opportunities for our fellow Canadians, something that will cause the people to be satisfied not only with their Government but its achievements concerning both the nation and the individuals.

M. Boudria: First, Mr. Speaker, I should like to congratulate my colleague the Hon. Member for Gatineau—La Lièvre (Mr. Assad) for his election. As neighbours we share a common boundary, and he happens to live just a few kilometres from my home. I am very pleased to see him as Liberal Member representing that riding. I must admit it is quite a change from the previous representation in that riding, quite a change for the better, of course. Quite an improvement over the Conservative Party Member who used to sit for the riding. The former Conservative Member was not quite as competent as my colleague, and again I extend my congratulations to him.

Like me, my colleague from Gatineau—La Lièvre (Mr. Assad) represents a riding located very close to the national capital. I am sure my colleague knows that the unemployment rate in the national capital region is very low, I mean on the Ottawa side, of course, something like 5.7 per cent.

• (1300)

Outside the City of Ottawa and the neighbouring region of Ottawa-Carleton, however, at least on the Ontario side, the unemployment rate is much higher, so much so that in Hawkesbury in my riding, for example, the unemployment rate now stands at 13 per cent as compared with 14 per cent last month. Our constituents are severely affected by unemployment. What I want to point out to my colleague is the fact that in recent days the Government imposed even stricter restrictions on unemployment insurance, the idea being that in low unemployment regions the thing to do is to tighten up the screw a bit, if I may put it that way, because people really do not need as many benefits. True though it might be in low unemployment regions, Mr. Speaker, I am not prepared to admit that. It is certainly not the case in Hawkesbury in my riding or in Cornwall or elsewhere in rural areas where unemployment is rampant. I should like to ask my colleague whether the situation is the same in his riding where rural unemployment is already quite high, and whether he agrees with me that the new measures imposed by the Minister of Employment and Immigration (Mrs. McDougall)—henceforth, more weeks of contributions to be eligible for benefits which in turn will be payable over a shorter time—are totally unfair to Canadians living in rural communities, particu larly those in the vicinity of urban areas, because the statistics as I have just described them are erroneous?

Mr. Assad: Mr. Speaker, I want to thank the Hon. Member for his kind words.

The cuts in unemployment insurance benefits are going to affect rural areas. Previously, I had the privilege of representing a rural riding in the provincial government, and every time the unemployment rate went up, the impact was greatest on rural ridings. The cuts that were announced will affect these people first of all.

I would also like to draw the attention of the Hon. Member to a study on unemployment and unemployment insurance benefits, made several years ago by the Fraser Institute in western Canada. The study showed that in urban areas where the unemployment rate was much lower, people were less dependent on unemployment insurance. The study found that in urban centres, unemployment insurance recipients were people who earned $22,000 annually, compared with people in rural areas who earned barely more than the minimum wage. This means that the proposed measures tend to ignore the rural areas that are most severely affected. I think that as time goes by, the Minister responsible will realize that rural areas will be affected far more severely than urban centres, and that adjustments will be necessary.

[*English*]

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is an honour for me to represent the people of Scarborough Centre in this Chamber. I am truly grateful for the trust and confidence they have shown in me. I am privileged to continue to represent the concerns of the people of Scarborough Centre in the nation's Parliament. It is here in Parliament that ideas, principles and policies are debated. But Parliament without democracy is meaningless and democracy without freedom is useless. Democracy and freedom are not just concepts or words with philosophical meaning, they are living principles that define a society and its heritage.

For over 200 years Canada has shaped, moulded and defended our own heritage of democracy. It is a heritage unlike any other in the world. History has given us a sense of independent freedom and a willingness to challenge new risks. From the native nations who first inhabited this land, to the explorers, to the fur traders, to the homesteaders and the pioneers who came later, Canadians have gained a very special spirit of enterprise and freedom.

History has also given Canadians an appreciation that hard work is rewarded and that taking risks brings new opportunities. Indeed, throughout the 1800s and the 1900s, our founders spent over 100 years working to build a nation that was only completed 40 years ago when Newfoundland voted to join Confederation.

The forces and circumstances that have shaped this country have made Canadians optimistic about their future. History has prepared us for the challenges of the next century. The Throne Speech is the reflection of that spirit. Because the Throne Speech and the policies which flow from it are more than a program for action; they are a confirmation of who we are as a people.

Our history as traders and entrepreneurs has made us a competitive people eager to compete with the nations of the world, and with the United States. Indeed, business people in my riding of Scarborough Centre are already pursuing new opportunities under free trade.

I was pleased to hear that the Canadian Thermos Products Company has announced that it will be closing its plant in the United States and creating 60 new jobs in Scarborough Centre. All the North American market for thermos products will be serviced from Scarborough. CDA Industries, the largest display advertising company in Canada, will soon be opening a new office in Atlanta to expand its markets. The jobs will be in Scarborough. The company will be selling through its Atlanta office. The Warner Lambert and Howden Group have also announced expansion plans because of free trade.

History has not only given us a sense of independent enterprise, it has also given us respect for the land itself. The first Canadians worked with the resources they had to create a sustainable existence. Today, we are again recognizing that humankind and nature exist in partnership. Canadians realize that we are not creators but users and protectors of a very precious natural heritage.

Some 40 years ago, during the Twenty-Third Parliament, a Member of Parliament from Northumberland rose to participate in the Throne Speech debate. He urged: "Today's crisis calls for an immediate uprising of the idea of conservation and development". That Member was my father, Major R. Earle Drope. Permit me to continue a 40-year family tradition by reiterating his call today.

The need to strengthen the partnership between conservation and development is a strong theme in the Speech from the Throne. The Environmental Partners Fund was mentioned in the Speech from the Throne. It will help community organizations involve more people in conservation. This program, together with the Environmental Protection Act, the new National Parks Act, the National Acid Rain Reduction Program, and the new Great Lakes Water Quality Agreement with the United States, reflects our appreciation of the natural treasure that we share as Canadians.

• (1310)

The people of Scarborough Centre share that appreciation. For several years now I have been honoured to work with thousands of volunteers in helping to save the Rouge River Valley system as a park. The Rouge River Valley is one vast remaining wilderness area in Metro Toronto containing unique archaeological ruins. Even though the land is owned by the Province of Ontario, our Government understands the natural significance of the area. That is why our Government has offered $10 million to preserve the Rouge River Valley system. That is also why the federal Minister of the Environment has accepted our invitation to tour the Valley this Sunday and see its beauty firsthand. Unfortunately, Mr. Speaker, the province has not yet accepted our offer. In fact, they are still considering it as a potential dump site or route for a major freeway.

Just as my father called on this Chamber to further the cause of conservation and development, I now call on this Chamber and the province to work together to conserve this precious valley for future generations. Canadians deserve nothing less.

The Throne Speech, Mr. Speaker, challenged the free enterprise spirit of Canadians and honoured their respect for our quality of life. But the Throne Speech also issued a challenge to us as legislators. Canadians are eager to take up the challenge of free trade, and the Throne Speech has called on us to help tackle this country's largest economic threat, the national debt. Our success in providing nearly 1.5 million new job opportunities proves that our economic system can succeed if given a chance. Reducing the debt will give it that chance. The largest expenditure this Government will make in 1989 will not be old age security, Medicare, national defence or any other federal program. The largest expenditure our Government will make will be the interest payments on the national debt. Without the burden of the debt, our Government would have a balanced budget today.

Last year, the federal Budget included $33 billion just to pay the interest on the debt. Just think of the other programs we could finance. Still the debt keeps growing larger every year, every day and every hour. In fact in the 20 minutes I have to make this speech today, the debt will have been increased by $1 million. That is just how fast this debt is escalating.

The Throne Speech stated very clearly our commitment to tackle this country's finances. Our actions over the past four years have resulted in a $10 billion reduction in the annual deficit. We must continue to reduce the deficit by reducing the size of the Public Service, selling off Crown corporations that no longer serve a public purpose and reduce over-all spending. There is no other option, Mr. Speaker, if Canadians are to have the economic foundations they need to continue to prosper.

One hundred and twenty-two years of Confederation and centuries of history have given Canadians a unique heritage of democracy and freedom. That heritage is honoured by every person who shares the responsibility of our citizenship. As someone who was brought up in rural Canada, I am very aware that while Canadians share a heritage of independent freedom, we also have a very special ability to work together. Our history is full of examples of families and communities joining together to meet a special need. Forty years ago in the small village of Harwood, where I was born in Northumberland County, the community joined together to build a community hall which my parents spearheaded. Next week I have the honour to go back to that community hall to make a speech.

Today in Scarborough Centre, men and women volunteers visit seniors' homes throughout the riding to perform numerous services. Included is the Wexford Senior Citizens residence in Scarborough where my mother lives. Volunteers arrange events, hold activities and make seniors' lives more pleasurable and more fulfilled.

In concluding this debate on the Speech from the Throne in the 34th Parliament, the second session, let us be mindful of the words of the Right Hon. John Diefenbaker in his famous Bill of Rights when he said, "I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind".

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions and comments? The Member for St. Boniface (Mr. Duhamel).

Mr. Duhamel: Thank you, Mr. Speaker. I listened attentively to the comments from the Hon. Member, and I just have a few remarks which I will perhaps culminate with a question.

Clearly the creation of jobs is something that all Parties endorse. It is not simply, and I say this kindly, one particular Party or the Government that is committed to that. I think the question we have to raise is what kinds of jobs are created with what kinds of opportunities for the future.

Likewise, the reduction of the deficit; I do not hear anyone here saying that the deficit should not be reduced, but I do hear a lot of people asking: How will it be reduced? That is a fundamental question that Canadians are raising today. A little caution on the figure of a $10 billion reduction of the deficit. If my memory serves me correctly, it was roughly $38.2 billion in 1984-85. That means it would have to be about $28 billion today. My information is that this is not so. I would just like to remind everyone here that 1984-85 had two different Parties in office. In fact, the current Government was in office for half a year.

[*Translation*]

What bothers me when I listen to speeches by Hon. Members on the Government side in this debate on the Throne Speech is that there were very few comments on the importance of research and development, additional funding for colleges and universities and additional aid for literacy training.

I think there is a flagrant contradiction here. The Government often says it is very important to fund these programs so that we will be able to compete in international markets. If we realize that Canada is funding research and development up to only 50 per cent of what is being done in the United States, Japan or Sweden, I think there is a contradiction here.

• (1320)

[*English*]

The capping of the educational funds for education of native students is another flagrant contradiction. These are people who are struggling for a better life. The Government says that educational research and development are important, but there is a gap. Does the Hon. Member not believe that more emphasis and commitment should have been placed in the Throne Speech to research and development, to literacy and to financing of colleges and universities?

Mrs. Browes: Mr. Speaker, I appreciate the comments of the Hon. Member and thank him for directing the question to me.

First, let me comment on his remarks about employment. Indeed, the unemployment figures have decreased rather dramatically. Youth employment is something on which this Government has really concentrated. When we look at the statistics, we see that over 100,000 young people under age 25 own their own businesses. It is truly remarkable that the young people of Canada have decided that they want to own their own business and get into the free enterprise system to make it work. I am delighted that has happened.

Second, an emphasis has been put on training. In our community college, Scarborough Centennial College, we put a great deal of emphasis on training for real jobs. Let me give a particular example of a training program there. One of the problems facing our country is child care. In order to provide more spaces for child care, the Government financed a training program through Centennial College to provide training to approximately 25 students per class for persons setting up their own child care centres in their homes and instruction on how to start one's own business. They did not see themselves as babysitters, they saw themselves as providing a service through a business in the community. These are training programs that actually provide jobs.

In terms of the Budget, I think it is recognized throughout the House, particularly I hope at that end of the House, how important it is to reduce the deficit. In the past, over 80 per cent of the reduction of the deficit has been by the reduction of expenditures and 20 per cent has been through the increase of taxes. I believe the wise choices and wisdom of our Minister of Finance (Mr. Wilson), who will bring in his Budget in the next couple of weeks, will be truly remarkable. I am sure the Member will be very pleased with the results.

Hon. Bob Kaplan (York Centre): Mr. Speaker, today I want to devote all of my remarks to one sentence in the Throne Speech Debate. I want to begin by reading that sentence:

> Finally, as my Government renews its commitment to national unity, it believes the ratification of the Meech Lake Accord is indispensable to the further evolution of the Canadian Constitution.

I found that a rather weak statement compared with the other priorities. There is no commitment to call meetings, no commitment to proceed, no commitment to make any effort. There was simply a statement that the Government believes something.

I did some checking and learned, to my surprise, that neither in the Langevin Block nor in the Bunker in Quebec City is there any plan or program to try to get the Meech Lake Accord constitutionalized. In 1980 and 1981, and in early 1982, emissaries were travelling from Quebec City across the country to meet with provincial Governments, or emissaries from the Langevin Block were travelling across the country trying to achieve the same result. I wondered why there was this appearance of the Government losing heart.

It occurred to me that there is a very good reason for that. It is that whether Meech Lake has been a success in the country or not, whether or not it is constitutionalized, in those two capitals, this city and Quebec City, Meech Lake is already a big winner. It is a big winner whether it lives or dies, and neither Government has any energy to expend in an effort to try and see it in the Constitution, as my Party believes it should be, amended and improved, as the nation is demanding that it be.

Why do I say it is a big winner? It is already a big winner for the Prime Minister (Mr. Mulroney). Either it will go through or it will not. If it does go through, the great conciliator of Canada, who was a successful negotiator in the private sector, will be able to demonstrate that he has the right stuff of Government, that the extraordinary piece of puffery to which he constantly refers about making the country whole again, about bringing Quebec in, is some kind of reality and he will join the big league of constitution makers along with Pierre Trudeau.

On the other hand, if the Meech Lake Accord does not go through, he has an obvious scapegoat and he has already begun defining and building the scapegoat. The scapegoat is that group that his American friends refer to as the "L word", the Liberals. Surely he will not be able to include the Leader of the Opposition in the scapegoat, although he did so during the election campaign and repented on his first few days back in Parliament. The Leader of the Official Opposition (Mr. Turner) has gone to the limit to defend the Meech Lake Accord and support it, to try to see to its constitutionalization. However, there are other Liberals around the country, whose names the Prime Minister is already collecting on some list, to be the villains along with others who oppose the Meech Lake Accord, to blame as the reason why it did not go through. As far as the Prime Minister is concerned, candour and consistency are not his strong points.

This approach I have taken to understanding the Meech Lake Accord applies equally to the view from Québec City. Either the deal will go through or it will not, as I have said. If it goes through, Mr. Bourassa will have proof that a federalist Government of a province can achieve more than a separatist Government; that he was able, when René Lévesque was not, to go through this constitutional stage and successfully negotiate the five point agenda which he brought forward to persuade the country that these five points were important and were adopted by the nation. I would also say that if the Meech Lake Accord goes through, in some ways that I will explain later, Québec would be more comfortable within Canada.

On the other hand, if the Accord does not go through—and from what I have learned, Mr. Bourassa is making no effort to see that it does go through—he, like the Prime Minister, has a ready scapegoat. His scapegoat is one that has been available to some Québecers for generations, for decades. That is, the rest of Canada. They can look to the rest of Canada and I regret to say that they will not have difficulty finding some statements, like those made at the hearings being held in Manitoba and elsewhere, to the effect that French is un-Canadian, that there should be no initiatives taken or efforts made to promote the use of French in the country. There are statements like that and I know my friend will recognize that they are not being made by Liberals, as I gather they are not being made by federal Conservatives. But they exist and Mr. Bourassa will be able to refer to them to explain why the Constitution went down.

There are Canadians providing the text for him to the effect that the fundamental contract and understanding by which French and English were to be preserved, was the basis for the establishment of Canada and must be the basis for its continuation. Mr. Bourassa will be able to beat the jungle drum about the need for stronger government in the Province of Québec, the need for stronger measures like Bill 178, a Bill which, by its own admission and in its terms, violates the rights of English speakers within the Province of Québec and violates the Québec Charter of Rights and Freedoms. It violates the Canadian Charter of Rights and Freedoms, and I think we will soon see that it violates as well the United Nations Universal Declaration of Human Rights. Fortunately, the United Nations Universal Declaration of Human Rights has no notwithstanding clause. We may reach a point sometime soon at which the Government of Québec must deal with that. But the point I wish to make now is that a failed Meech Lake is not without some convenience to Québec City and not without some convenience to the Prime Minister.

• (1330)

As our Party's spokesman for Meech Lake over the past four years, I can assure the House I am a keen observer of the Accord and I have thought about it a lot. It seems, in a certain sense, to be a mirage. It looks like an agreement, but the more you examine it the more you find it is full of intentional ambiguities.

I want to say a word about intentional ambiguities. We attempted, as others did across the country, to clarify the ambiguities, to make amendments to make it more clear. But I do not wish to dismiss the concept of the intentional ambiguity. I remember, before my time here, when the International Monetary Fund was established, I heard Louis Rasminsky, who was our representative at Bretton Woods when that was done, observing that one of the great achievements of the establishment of the IMF was that the document establishing it had no unintentional ambiguities. In other words, it had ambiguities but none of them were unintentional.

When a lawyer acts for a client, he does not want ambiguities, intentional or unintentional. You want to be able to tell your client in any situation exactly what his or her rights will be. To do less than that as a lawyer is to fail your client.

In building a constitution for the IMF, to use my example, or for a nation, intentional ambiguities are often desirable. They permit an agreement to be signed. Basically, the parties are saying, I have my interpretation of what this means. You have your interpretation. Eventually it will be settled, but we can live with the ambiguities in the meanwhile. We are ready in the

meantime to accept ambiguity for the sake of a deal. Lawyers and clients do not do that, but statesmen very often do.

So I do not mean to criticize the intentional ambiguity, but the trouble with the mirage of Meech Lake is that it is replete with ambiguity. So much so that on just leaving the room, parties who had just risen from the negotiating table were giving their various versions of what terms meant.

"Peace, order and good government" is an ambiguous phrase that if we had forced the Fathers of Confederation to settle in 1867 exactly what this phrase meant, or if we had asked the Fathers of the American Constitution to tell us what "life, liberty and the pursuit of happiness" meant exactly and what the court would say in every circumstance, they would have a lot of difficulty. But the Meech Lake mirage is too full of ambiguities. Our purpose in the Liberal Party, in the Official Opposition—read our minority report—is to clarify these ambiguities.

If we take the issue of the rights of women versus collective rights of the state as a distinct society, Premier Bourassa was saying the rights of women were not affected by the distinct society clause. But the women in the country, who had competent legal advisers whose legal advice I have read with great care, were able to say there is doubt, there is an ambiguity here. We tried on the Liberal side, in our amendments, to resolve it.

I want to give another example of ambiguity. It was the question of the national purpose in shared cost programs. Premier Peterson was able to say the national purpose will settle whether federal funding will go to a shared-cost program. But in the Province of Quebec, a completely different argument was being made about a very important clause that needed to be settled at the table. Some ambiguity could have been tolerated, but we needed to clear up those fundamental ambiguities.

The Government took the line we were facing a seamless web which could not be touched. In other words, a bubble that at one touch could explode into thin air. I did not look at it that way. I looked at it as a series of ambiguities that people of goodwill could resolve and ought to resolve. If you return to the analogy of what happened in 1981 and 1982, that is what we tried to do. We took amendments right down to the wire because they brought additional support for the package, and clarity to the Constitution of Canada that we were trying to establish.

In what I have said I may have given the impression that it is not important to amend the Constitution. I want to say I think it is extremely important to do so. But the reason why the resolution of the Meech Lake Accord one way or the other is less important than the process we have been taken through is because at the heart of the process the puffery about Québec becoming part of Canada, or about every Québecer being involved in the successful resolution of Meech Lake, is false. Underneath it all, every Québecer knows he or she is a Canadian. Québecers know that Québec is part of Canada and most Québecers are proud of it. I am not saying they are all proud of being part of Canada. We know what the result of the vote was. But I am able to say most Québecers are proud of it. They pay taxes, as the rest of us do, and they benefit from services. To say the passing of Meech Lake was essential because otherwise Québecers and Québec would not be part of Canada is a total fraud.

The importance of constitutional reform is not to make Québec a part of Canada, or make Québecers feel they are Canadians. They already do. The importance of it is to improve the relations by which we live together. That was my own reason for supporting the Meech Lake Accord. I saw in it the beginnings of measures that would bring more justice, equity and clarity into our relations.

I do not have a lot of time, but I would like to give one example. There is something wrong with the way the Supreme Court of Canada is established under the present Constitution. It is not fair to ask a provincial Government to bring its grievance against the federal Government to a tribunal which is wholly appointed by the federal Government. That does not have the appearance of fairness. No one in private arbitration would submit their grievance with another party to an arbitrator chosen by the other party.

So Meech Lake had a point. It provided the machinery which gave the provinces more of a feeling that the arbitration would look fair, and from that would flow a sense of it being more fair. I could give the example of cost-shared programs as well, there being more provincial say over them. So we were onto something with Meech Lake and the point of my intervention today is to say how much I regret its abandonment by Quebec and by the Prime Minister and how much I think we should

be determined to try and get through a sensible stage of constitutional evolution, based on the Meech Lake mirage but fleshing the mirage out with the reality of interpretations and definitions and clarifications so we will know, when we get through it, that we have a country and that we are better off.

• (1340)

[*Translation*]

Mr. Charest: Mr. Speaker, I can hardly believe what I just heard in the House today, from someone who claims, as he said, to be —

[*English*]

Is it true that the Hon. Member is the spokesman? For the record, the Hon. Member acknowledges that he is the spokesperson for the Liberal Party of Canada on the Meech Lake Accord.

[*Translation*]

He has just given us a speech full of misleading arguments and incredible contradictions, not to support Meech Lake, because considering in the time it took him to praise the benefits of Meech Lake and its importance for Canada, no, not to denigrate the Accord —that was basically what was said by the Hon. Member who is the federal Liberal Party spokesman on the Meech Lake Accord, Mr. Speaker.

To put things in their proper context, I would like to provide a historical perspective. It all started in the 1984 election, when the Prime Minister (Mr. Mulroney), the Leader of the Conservative Party, who subsequently became Prime Minister of Canada, promised, in a speech he made in Sept-Îles, to ensure that our Government's first objective in Constitutional matters would be to bring Québec back into the Constitutional fold, Mr. Speaker. That was our objective then and it has been maintained to this very day.

Subseqently, Mr. Speaker, the Premier of Québec submitted five requests to the provincial Premiers at the annual Conference of First Ministers held in Edmonton in the summer of 1986. The provincial Premiers unanimously approved the objective of bringing Québec back into the Constitutional fold. And that is what Meech Lake is all about. The whole point was to bring Québec back into the Constitutional family.

Our Leader, after the signing of the Accord—

Mr. Corbeil: With dignity!

Mr. Charest: With dignity. My colleague, the Minister of Labour (Mr. Corbeil), the new Member for d'Anjou—Rivières-des-Prairies and very well known in Québec, emphasized: "With dignity". That has always been the Government's objective and it still is today. However, the spokesman for the federal Liberal Party of Canada on Meech Lake referred to the Accord as a mirage. Is that what you call promoting the Meech Lake Accord which is essential for our province and for Québecers? You called it a mirage?

He also referred to puffery. I am not sure what that means, Mr. Speaker, but I do know he does not mean it as a compliment to Meech Lake.

Mr. Speaker, I want to say just one thing. First of all I want to tell the federal Liberal Party spokesman that today he betrayed a commitment made by his Leader and his Party to Meech Lake and to Québec. You have betrayed that commitment. Stand up and tell us whether you support it!

Mr. Kaplan: First of all, Mr. Speaker, I want to emphasize that we have supported and continue to support this process, as evidenced by our vote on the Meech Lake Accord when this issue was raised here.

I do not feel it is a question of bringing Quebec back into the constitutional fold. It is imporper to say that Quebec no longer belongs to Canada or that Quebec needs to join Canada again. Quebec is an integral part of Canada as a whole, something each Quebecer and each Canadian is well aware of. The question is not to save the nation. Québecers who were here supported the Accord in 1982. At the time the Constitution was patriated, we had the support of all Québecers sitting in this House. But what could we expect from a Separatist Government in Québec? That it should be in favour of re-affirming and patriating our Constitution? Impossible!

We are here to improve our Constitution. We have put forward suggestions to that effect. The Government has even refused to deal with them and it is this attitude which is responsible for the demise of the Meech Lake Accord. They would not accept amendments. They refuse to broaden their outlook. The Constitution can not be amended just to meet the needs of a single province. This is simply not done! A Quebec round is out of the question.

[*English*]

What you need to have to amend our Constitution is a Canada Round, and that is what we tried to do, building on the structure of Meech Lake. We tried. We were shut off at the pass by a Prime Minister (Mr. Mulroney) and by a Premier of Québec who, as I have shown, did not care whether or not Meech Lake went through.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mr. Charest: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Minister rises on a point of order.

Mr. Charest: Mr. Speaker, I think you have come to realize that the Meech Lake Accord issue raised by the Hon. Member is a source of much interest not only among the Members of this House, but the general public as well. I seek therefore the unanimous consent of the House to let my hon. friend deal further with this issue—

[*English*]

Mr. Deputy Speaker: The Hon. Member for Port Moody—Coquitlam (Mr. Waddell) on the same point of order.

Mr. Waddell: With reference to the 10-minute period, I wished to ask a question. Are there five minutes left?

Mr. Deputy Speaker: There is not a 10-minute question and comment period. It is a five-minute question and comment period for the time being. The five minutes is over. However, there is a request from a Government Minister to extend the question and comment period.

That cannot be extended for an indefinite period. If there is agreement in the House, I could propose to the House that this period be extended for 10 minutes.

Mr. Waddell: I cannot speak for all my colleagues, but I would like to see it extended. I would agree to that, providing we also have an opportunity. I respect the Minister, but he cannot monopolize all the time. He has time to speak, and he could ask a few questions.

Mr. Deputy Speaker: We will agree therefore to extend the question and comment period.

Mr. Kaplan: I should inform the House that I have to leave town, but not until 10 p.m.

Mr. Deputy Speaker: We will extend the question and comment period on the speech of the Hon. Member for York Centre (Mr. Kaplan) for a short period of time, if Hon. Members will leave it at my discretion.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I will ensure that a representative from the New Democratic Party is able to ask a question, and also at least one representative from the Official Opposition.

[*Translation*]

Mr. Corbeil: Mr. Speaker, if we were looking for an event which occurred over the past few years which could explain why the Liberal Party failed so miserably in Quebec during the last two elections, the Hon. Member for York Centre (Mr. Kaplan) has just identified it very clearly.

I never thought I would hear during my lifetime a York Centre representative claiming in this House to be a genuine Québec spokesman who could better voice Québecers' aspirations than the Québec Premier himself. If the Meech Lake Accord has been signed, Mr. Speaker, it is because the Prime Minister of Canada (Mr. Mulroney) who is much more eager to unify than divide—

Some Hon. Members: Hear, hear.

Mr. Corbeil: —has agreed to sit with his provincial counterparts to try and find ways and means to bring Québec back with dignity into the Canadian fold, as the Minister of State (Youth) stated a while ago.

• (1350)

And here we see the Hon. Member for York Centre (Mr. Kaplan) rising in the House and, substituting himself for Québecers and the Québec Premier, claiming that the Meech Lake Accord which, as the Minister of State (Youth) (Mr. Charest) reminded us earlier, was unanimously concluded by the ten provincial Premiers, was the most important issue which we had to deal with as a priority. What I would like to know from the Hon. Member for York Centre is whether the Federal Liberal Party, or at least what is left of it, still considers now the Meech Lake Accord as the first and foremost constitutional priority?

Mr. Kaplan: I can answer yes and as proof, if I may ask and perhaps suggest a possible answer to the Government, they have lost the need, the sense of urgency that the Meech Lake Accord succeed. As I said, they are doing nothing now to try to have it ratified; they have got enough mileage out of it. We want to see our Constitution evolve. And I believe that if the Meech Lake Accord is not ratified, it will be due to their lack of effort, not ours. We supported this agreement.

[*English*]

Our Leader has sweated blood over Meech Lake, politically. He has held the Party together over it. I have supported it. I participated in the meetings on Meech Lake that were held on this Hill. I listened. I did not do what the Government did, talk about a seamless web. I listened to groups that came from all over the country.

[*Translation*]

Including Québec, who had suggestions to give us on improving the Accord. I listened and these amendments—these clarifications—were needed. If the Government were really serious, if it really wanted the Meech Lake Accord to be part of the Constitution, it should have taken the amendments, not just ours, but the amendments suggested by Canadians: the Northern Territories were right; the multicultural groups were right; the women also were right with the suggestions that they made. But they do not want what they created, as I said, a sort of mirage. Because it was not clear enough, it did not have enough support from the Canadian people.

[*English*]

When the Canadian people looked at that constitutional package the next day, they had questions, and the signatories did not have answers. They were not able to tell us what this paragraph meant with clarity. That is why amendments were needed. The seamless web could have been the occasion of great rejoicing in the country.

I do not want denigrate the political importance of Québec, the Québec Government and Québec City, approving of our constitutional arrangements. That is a very important step. But to say, as the Prime Minister (Mr. Mulroney) likes to do, and falsely in my view, that this makes the country whole, that this brings Québec in, this type of rhetoric is false.

Mr. Deputy Speaker: We will take two more questioners. The Member for Port Moody—Coquitlam (Mr. Waddell) and then the Member for the Notre-Dame-de-Grâce (Mr. Allmand). Debate.

Mr. Waddell: Thank you, Mr. Speaker. I agree that it would be more helpful if Members talked about getting Québec to sign the 1981 Constitution, rather than bringing Québec in. There are about 70 MPs supported that. I think that would be a better way of saying it. I have opposed Meech Lake, but I favoured Québec signing the document in 1981.

I should tell Hon. Members that Meech Lake is dead in western Canada. As a matter of fact, it is scary. It is scary because it is the old notion of French and English being accepted anywhere in Canada by a Francophone or Anglophone having rights and being accepted, having equality, no matter which part, as Canadians anywhere in Canada. We are losing that and it is scary. Some of the winds that are coming out of western Canada are quite frankly anti-Québec. Mr. Bourassa has not helped himself, I might say, in some of the speeches he has given, particularly in Manitoba. I deplore that. I think if the Liberal Party wins in Newfoundland next week then Meech Lake will be dead in eastern Canada as well. I think the Government should wake up and understand that is what is happening.

I want to ask the Hon. Member a question, and I will not make it partisan. There is another Liberal view that Trudeau had of Canada that is different than what the Hon. Member has articulated. But he suggested in his speech that the Prime Minister (Mr. Mulroney) and the Premier of Québec wanted to have Meech Lake fail, and I wonder if he could explain that because I did not understand what he was getting at.

Mr. Kaplan: I am glad the Hon. Member asked that question because I certainly did not say that. I am glad to be able to make it even clearer that I do not think that they wanted to fail. I think they wanted to succeed. But they are not prepared to do anything to make it succeed because they benefit whether it succeeds or not. That was my point. They benefit politically. The most important thing that I want to deal with, the observation of the Hon. Member, and I think—

[*Translation*]

—at the same time, I would like to answer the suggestion that I am presenting myself as a spokeman for Québecers. That is not at all the cases. I am a Member of Parliament— Now I would also like to say to the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) that I do not want to present myself as a spokeman for the West.

[*English*]

I do not think one ought to say that Meech Lake is dead. I think that Meech Lake can succeed, and I think we want it to succeed. We want it to succeed—

[*Translation*]

I feel that it can succeed and that we can have a successful Constitutional state now if the parties—and those are the ones I mean are not interested anymore—if those two parties were ready to have amendments proposed and to consider suggestions to improve it.

[*English*]

A Québec Round is fine, but how can you validly have a Québec Round that does not take account of the interests of the rest of Canada, that does not deal with the issue about the northerners? How can you say that this constitutional opportunity should not be enlarged? I regret the suggestion that it is dead. I hope that is not what the NDP are saying in that part of the country. I hope that what they are saying is that we have an initiative here that can work. The purpose of my intervention was to call on the Government in Québec City and in Ottawa to do the things to make it work.

Mr. Deputy Speaker: The Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) on a question or comment.

Mr. Allmand: Mr. Speaker, we have just had some very strange statements by the Hon. Minister from Sherbrooke (Mr. Charest), and the Hon. Minister from Anjou (Mr. Corbeil). I would like my colleague, in particular, to comment on some of the implications of their statement.

To begin with, we have Ministers from a Party attacking our colleague here on this side coming from a Party whose Leader just the other day said the Constitution was not worth the paper it was written on. I am wondering whether the Hon. Minister who posed that rather aggressive question and the other Minister support that point of view. Do they support the point of view of their Leader that the Constitution is not worth the paper it is written on?

We also have these questions put by members of a Party where the Prime Minister (Mr. Mulroney) says he is opposed to the notwithstanding clause, and he thinks it should not have been used against Bill 178 in Québec. We have in the same Cabinet, Ministers such as the Minister of the Environment (Mr. L. Bouchard) and the Minister of Transport (Mr. B. Bouchard), saying they support the use of the notwithstanding clause. I would be very interested in knowing where the Minister for Sports (Mr. Charest) stands on this issue, and where the new Minister from Anjou stands. Are they with the Minister for the Environment or are they with the Prime Minister?

We also have this strange phenomena where the Government of Québec says it is not bound by the Constitution of 1982, yet it uses the notwithstanding clause in the Constitution of 1982 to crush a judgment of the Supreme Court of Canada. How one cannot be bound by the Constitution of 1982 and yet use one of the principal clauses to crush a judgment of the Supreme Court is a rather interesting situation. On that point I would like to hear the comments of my hon. colleague.

• (1400)

Finally, with respect to the Meech Lake Accord, the Premier of Québec, Mr. Bourassa, after his election put forward five points for his signing the Constitution of 1982. Those five points did not touch upon at all the use of the notwithstanding clause. At that time he did not think that that was an important issue. He did not mention it at all.

The first Party to respond to the five points of Mr. Bourassa was the Liberal Party of Canada and the Leader of the Liberal Party of Canada. In our convention in 1986 we respected those five points. Unfortunately, when they came about to draw up the Meech Lake Accord they added a hang of a lot more than the five points originally put forward by Mr. Bourassa. It is those additional matters that we are trying to amend.

Mr. Kaplan: Mr. Speaker, I am reminded of Senator Lloyd Bentsen's observations about the presidential election when he talked about one of the candidates and said: "You are no Jack Kennedy". By watching the Prime Minister operate, and I say this in answer to my hon. friend, this is no statesman in the Prime Minister that we have been treated to in this alleged attempt to amend our Constitution.

The Meech Lake Accord from the beginning for the Prime Minister was a political vehicle for the Prime Minister. He has made maximum political use of it. It has served its purpose. For we on this side of the House Constitutions matter. Our Party, as Hon. Members will know, has suffered great anguish in reaching the strong consensus we had that we should take Meech Lake seriously, that we should work on it and accept it and explain it to the country. We did that. But for the Prime Minister to value the Constitution one day and to tear it up the next is nothing that anyone should be surprised about. This is not a Prime Minister we have in the House today who is trusted by the Canadian people. He is a Prime Minister, and this is a Government that says one thing and does another.

In this case I was struck by the sentence about the Meech Lake Accord. It made it so obvious that the Government had nothing going to try to make a success out of something that we on this side of the House did and do take seriously. In spite of the words of the Hon. Member from British Columbia, I hope the rest of the country will be willing to see it saved as well.

[*Translation*]

Mr. Deputy Speaker: Debate. The Hon. Member for Louis-Hébert.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology): Mr. Speaker, I am very pleased to rise in the House today to join the debate on the Speech from the Throne which marked the opening of the second session of the 34th Parliament of Canada last April 3. I want to thank my constituents for expressing their confidence in me a second time.

I can recall with deep emotion the first time in 1984 when I rose to speak to Canadians in this venerable House. At the time I explained the four major objectives which had prompted me to run for election in Louis-Hébert under the banner of the Progressive Conservative Party. One of those objectives was that Québec become at last become a full-fledged member of the great Canadian constitutional family. I had faith in our Prime Minister who promised to bring Québec back into Canada's Constitutional fold, and the action he took during his first mandate proved me right.

Owing to his deep convictions and his negotiating skills he was able to secure the unanimous agreement of all his provincial colleagues about the Meech Lake Accord, a historical achievement not only for Québec but for Canada as a whole.

Mr. Speaker, I want to tell you that as a Québecer I stood very proud the day the Meech-Langevin agreement was signed. At long last Québec and all Québecers would regain their rightful place at the Constitutional bargaining table. The Hon. Member for York Centre (Mr. Kaplan) may not be in agreement, but yesterday he should have been listening to his colleague the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) who, for one, understands Québec's reality, understands Québecers, understands how Québecers feel.

That agreement that is good for Québec but above all essential to Canada's higher interests, and which was supported in this House by a majority of members both from the NDP and the Liberal Party, must be ratified without delay. What is at stake is not only Québec's future but the future of the whole Canadian Constitutional process.

This is why, Mr. Speaker, as a proud member from Quebec, I urge every man and woman in Ontario, Western Canada and the Maritimes to openly express their support for that most important agreement for our national unity and Canada's future.

It is imperative that it be ratified in the coming weeks by the two legislative Assemblies of New Brunswick and Manitoba, the only ones who have yet to do so.

As I said, and I can never insist enough on this, the ratification of that historic agreement is in line with Canada's higher interests. It involves our common future from East to West, the future of Canada.

Another theme of prime importance was raised to my great joy in the Throne Speech, that of research, science and technology.

The fact that that important, future-building area was again emphasized is another clear proof that this Government continues to view it as a priority.

As you know, Mr. Speaker, I have been concerned with high technology for a long time, and for a number of reasons. I was city councillor of Ste. Foy before I took active part in federal politics, and I had an opportunity to work at various matters of business for the City and the area, this gave me the opportunity to assess the importance of research and high technology for economic development in the riding of Louis-Hébert and the Quebec city area.

In Louis-Hébert we enjoy a privileged environment because of our technological knowhow. The resources and potential are huge and available, and our Prime Minister in 1982 assessed this correctly when he stated during a stay in Québec City, and I quote: "You have everything needed to become Canada's strategic research and development centre".

And the actions taken during our last term clearly show that not even once did that recognition of the Québec city area by this Conservative Government fail. Let us recall the establishment of the high technology park in Ste. Foy, Québec, the location of the National Optical Institute, a promise made by the previous Government but never implemented; continuous and increased support to research at Laval University, the establishment in Ste. Foy of the Energy, Mines and Resources Geo Resource Centre in Ste. Foy, something that over and above its impact on research remedied more than 110 years of injustice to Francophones, and I could go on and on.

A brief analysis shows that we can enjoy in Louis-Hébert the presence of researchers from the Laval University, the I.N.R.S., the C.R.I.Q. and the entrepreneurship of high technology industries like Bomem, Lab-Volt, Didatech, Digitech, Gentec, D.I.L. International, to name but a few.

The riding I am privileged to represent in this House naturally focuses on the development of high technology. For a number of years indeed, everyone active in the community has recognized this and work together to target projects in that direction.

I would like to take this opportunity to thank them for their constant support during these last four years—the people in Laval University, Chambers of Commerce, the C.R.I.Q., the I.N.R.S., people in private enterprise, everyone supported my work and the achievements I referred to earlier, which were made possible by the determination and hard work of all interested parties in the community. This is why I am confident that together, during the next four years, we can carry on whith the work already undertaken and complete other major achievements.

Moreover, my role as Parliamentary Secretaty to the Minister of State (Science and Technology) (Mr. Wine gard) made me realize more than ever how vital the development of research, science and technology is to Canada's future. In an increasingly international world, our businesses must adjust quickly to meet international competition, and this is where the high tech sector, as it relates to business and the economy, becomes even more important. Our Government realized that when, in our first term, it made research, science and technology one of the priorities of this country's business. We put this country on a new course towards the future, and for the first time in this country's history, we established, in consultation with the provinces, a national policy on science and technology.

• (1410)

Mr. Speaker, I would like to recall briefly some important events that have marked the past four years in the field of science and technology. In March 1987, the Federal-Provincial Council of Ministers of Science and Technology was created. The Council is responsible for supervising the implementation of a national policy and for consulting with the various groups working in science and technology in Canada.

The national policy approved by the federal and provincial governments in Vancouver, in March 1987, commits the parties to co-ordinating their efforts in six distinct areas. They are committed to assisting colleges and universities to meet our demand for highly-qualified individuals; to support basic and applied research while seeing to it that both academic research and investments by the private sector in research and development have a sound and durable basis; to promote research in the social sciences, especially on certain phenomena that are present in a society that is increasingly oriented towards high technology; and to promote development of a culture with an increased focus on science.

The Government has established a National Advisory Board on Science and Technology, consisting of 36 representatives from the scientific community, education, industry and labour, and chaired by none other than our Prime Minister.

In January 1988, I had the pleasure of attending the National Conference on Technology and Innovation, with over 200 decision makers from industry, the academic world and labour, and together we spent two days examining how science and technology could best serve the Canadian economy. We considered how productivity could be increased, how to increase the value of our products and especially how to make it easier for new high technology companies to get started.

Another worthwhile initiative was the announcement, on August 4, 1987, of the creation of the Department of Industry, Science and Technology. This new Department will play a major role in the formulation of economic policies geared to the development and implementation of technologies absolutely vital for the establishment of an industrial economy able to compete the international level. It will also have to increase the government's awareness of the needs and concerns of our industrial and scientific communities.

Toward the end of 1987, three committees of the Advisory Council worked relentlessly to come up with recommendations in an effort to guide the government's decisions in the field of science and technology. With regard to universities, one suggestion called for the governement to fund Centres of excellence, create a scholarship program for Science and Engineering students, and increase the budget of three granting councils for research.

And that is why, in January 1988, the Prime Minister of Canada announced that the Governement would spend $1.3 billion in the next five years towards new science and technology projects carried at Canadian universities.

The three major initiatives announced since directly result from the recommendations made by the Advisory Council and show how important university research and studies are for this Government. Let's review these initiatives: there was the creation of national networks of Centres of excellence, for which $250 million were granted, the establishment of a scholarship program in Canada for students in the field of Science and Engineering and related fields, which represent altogether $80 million, and finally a major increase of $200 million in the core budgets of the granting councils.

The purpose of setting-up a national network of centers of excellence is to promote co-operation between universities and industry and prevent the duplication of research as well as encourage the immediate spread of new discoveries, in order to better ensure Canada's long term competitiveness at the international level. So far, this initiative has been an unqualified success.

As a matter of fact, Mr. Speaker, the number of projects submitted exceeds largely everything we had imagined, and the researchers I met recently insisted that they could never have obtained so much co-operation between the various universities without such a program.

They felt that such co-operation could only prove advantageous in every respect and the scientific community is universally grateful to the Government for providing them with this unique chance to create solid and long lasting contacts with their counterparts everywhere in this country.

So far, Mr. Speaker, university people and private enterprise are enthousiastic about the benefits accruing from the creation of the center of excellence network, and we are now involved in the review of various projects submitted by the ad hoc committees.

We can already foresee the more than positive spin-offs from the creation of centers of excellence and together with the researchers, I am delighted with the valuable impact of this happy initiative.

Mr. Speaker, I wish I could have dealt with all the other achievements of our Government in the area of science and technology. I refer here to the $1,2 billion contract under the Canada Space Program for the construction of a space computerized engineering robot which will generate jobs representing more than 100 000 men-year and will bring in $8 billion in revenues by the year 2000. I wish I could have dealt in depth with the Innovaction strategy, the $90 million invested in micro-electronics, as well as the space agency, with investments of $3 billion over the next decade, which is important not only for Québec, but for Canada as a whole.

My time is running out and I'll conclude by saying—and I am sure you will agree with me, Mr. Speaker—that much has been achieved. But in this field which is progressing daily, much remains to be done, and in view of the strong determination the Government has shown over the past four years, I am sure that during the next four years, with the co-operation of everyone, we will achieve great things, in the best interest and for the future well-being of this country.

Mr. Allmand: Early in her speech, Mr. Speaker, the Hon. Member referred to the Constitution. May I ask the Hon. Member whether she accepts the policy enunciated by the Prime Minister to the effect that the

notwithstanding clause is bad and that we should seek ways to get rid of it? Or does she accept the policy enunciated by the Minister of Environment (Mr. Bouchard) to the effect that the notwithstanding clause is necessary and should be kept in the Constitution? Could she give us her opinion on this issue?

Mrs. Duplessis: Mr. Speaker, I thank the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) for his question. I should like to tell him that a long time ago the Prime Minister had stated that the inclusion of the notwithstanding clause had weakened the Constitution, and if my Hon. friend had read yesterday's *Le Devoir* he would know that the reason his former leader, Mr. Trudeau, had included the notwithstanding clause in the Constitution was really to have control and to be able to weaken the Constitution if ever something happened which was not to his liking.

The right was granted and the notwithstanding clause was included in the Constitution. As a Québec Member, I can understand why Premier Bourassa would use that clause since it already was in the Constitution. I think that the Prime Minister and the Provincial Premiers figure they will soon be able to discuss that item during new constitutional rounds, but they won't be able to do so until the Meech Lake Accord is ratified by all provinces. That's the important issue here.

I would like to add, as a Member for Québec, that having been excluded of that famous night of negotiations, you remember when Mr. Lévesque showed up here, sincerely wishing to enter the new Canadian Constitution—You remember that the province of Québec was cast aside. Try to imagine how the people of Québec felt, try to put yourselves in their shoes. The people in Québec are saying: We were then excluded, and now two provinces in Canada don't want to see Québec in the Constitution. Try to imagine what could happen. Yesterday, my colleague from Laurier—Sainte-Marie (Mr. Malépart) went even further! We are faced with a dangerous situation, which could lead to the separation of one province. And that would be the end of Canada. Mr. Speaker, it is very hard to make our English-speaking colleagues understand the situation, because they don't want to hear anything about it. That is the fact, and that is what each and every ordinary citizen of Québec believe.

Right now, Mr. Speaker, we should not try to find out if it was a good idea to include the notwithstanding clause in the Constitution. Right now, Mr. Speaker, the entire population of Canada should unify and put pressure on the two provinces who haven't yet signed the Accord, because that's what is important.

• (1420)

[*English*]

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, it is with great pleasure that I stand today in the House to respond to the Government's Speech from the Throne. First, let me take this opportunity to thank the people of Saanich—Gulf Islands for electing me to represent them. It is an honour to serve as a Member of Parliament and a privilege to represent a riding of such natural beauty. The Gulf Islands of Canada have a reputation for their beauty as well as for their arts community and vibrant political community.

The Saanich Peninsula is a farming area and a bedroom community to Victoria. The daffodils we see from the Canadian Cancer Society come from my riding.

As a new Member of Parliament I am not unaware that a Speech from the Throne will be a blueprint for government policy. However, this Speech from the Throne is unusually devoid of real substance. However, it also contains some worrying signals.

The Government has bent over backward to sell the idea that Canada is in an economic crisis. The Minister of Finance (Mr. Wilson) is busily speaking to business groups across the country, telling them of the doom and gloom on the horizon. It is interesting to contrast these new found sentiments with the rhetoric we were exposed to during the last election campaign.

At that time the Government said all was well with the economy and that we should stay the course. The Government claimed it was fiscally responsible and that the trade deal would not negatively affect our social programs or regional development initiatives. We now see the real agenda.

The announced cuts to unemployment insurance are a direct result of the trade deal. During the election campaign we on this side warned that the deal would adversely affect our social programs. With the announced cuts to unemployment insurance, the harmonization has begun.

We know that these pronouncements were all hot air. The Government has almost doubled the national debt since it came to power. We do not argue that the deficit is a major problem. Where we take issue with the Government is on how best to address the problem.

The big business friends of the Government want cuts to social programs. We will see the extent to which they get their way when the Minister of Finance brings down his Budget. If big business gets its way, and so far all indications are that it will, then we know who will be paying down the deficit. It will be the same people, small businesses, seniors, and average Canadians whom we in the NDP represent. They are the same people who will be adversely affected by the Government's regressive sales tax. They are the same people who are struggling now under the high interest rate policy of the Government.

I listened with interest to the Minister of State for Housing (Mr. Redway) and his analysis of how that new Ministry will affect the housing situation in Canada. If the Government was really sincere about doing something about the housing problem in Canada, it would address the interest rate problem. The sincerity is lacking in the Speech from the Throne.

The Government, which seems so keen on adopting all the bad policies from south of the border, should try to adopt a good idea like the minimum corporate tax. In Reagan's America, a minimum corporate tax was adopted. I call on the Government to have the courage to do the same in Canada so that it is not the same middle class, seniors, and small business people who carry an unfair burden in the tax system.

High interest rates are also contributing to the deficit. All 10 provincial Premiers came to Ottawa a few weeks ago to urge an easing of the high interest rates. Why does the Government not wake up and look beyond southern Ontario?

Unemployment is still unacceptably high in the Atlantic and in the West. On Vancouver Island, where I come from, the official unemployment rate is over 11 per cent. People in my riding welcome growth in Ontario, but they do not accept being treated unfairly by the federal Government because housing prices in Toronto are fuelling inflation there. They are also fuelling inflation in my riding, where people from Toronto are coming to retire early. At least they will have the joy of having an elected representative who will speak out on their behalf.

I noted with some optimism that the Speech from the Throne made mention of the Government's commitment to continue its support in the progress toward arms control. However, the rhetoric was washed away with the reality. The Government will continue to test first strike Cruise missiles on Canadian soil. It will steadfastedly champion a defence strategy right out of the Pentagon Archives, *circa 1950*, complete with a fleet of nuclear submarines. What is more, later this year in Ottawa the Government will sponsor "ARMX '89", an armament swap and shop. So much for a commitment to arms control. There are a number of contradictions in the Speech from the Throne, but that is one of the more blatant ones.

The Government also talks of a reaffirmation of Canada's role in the international community. Last year, Canada gained a seat on the United Nations Security Council. This was achieved in large measure as a result of support from the less developed nations. Our reputation on the international stage has been built gradually by successive Governments over the past half century, Liberal Governments and Conservative Governments urged on, of course, by New Democratic Members of Parliament.

• (1430)

As with all things of value, the Conservatives of 1989 claimed sole credit. We have seen in this Government a withering away of the independence of our foreign policy. With respect to the free trade deal—it is all intermixed—we cannot see the economics separate from our international foreign policy. "Me too-ism" has struck down our former capacity to act boldly and with purpose internationally.

I have travelled internationally. It is not until you step outside Canada that you realize the extent of Canada's reputation in this area. It is far greater than the kind of money we are able to give, but it is based on that independence of foreign policy.

Over the past few months Canadians have witnessed foreign policy statements made by the Secretary of State for External Affairs (Mr. Clark) one day and completely contradicted by the Prime Minister (Mr. Mulroney) the next. The Throne Speech does little to assuage the perception that foreign policy is adrift. Rhetoric and action fail to converge. Whether it be with respect to

environment, policy on South Africa, Central America, or a variety of other issues, the Government has provided little in the way of leadership.

The Throne Speech talks about a strong stand in defence of human rights. Again, the Government's record fails to support the rhetoric. I have a great deal of difficulty with the Government's notion that Canada must continue to lend comfort and money to repressive regimes if we are to have any hope of influencing their policies. There are many ways of influencing policies; giving them money is not one of them.

I now move on to overseas development assistance. This is an important aspect of Canada's international reputation, which I hope the Government will deem pertinent enough to support. The Government has given lip service in support of the Brundtland report which recognizes the responsibility of "have" nations to assist in the alleviation of poverty. I think it should be made clear that this should not be done out of a sense of charity. It should be done out of a sense of partnership with those countries. Canada was built in many ways by exploiting the resources not only of our own land but the resources of the Third World. I am not only talking about forestry resources or fishing resources; I am talking about people resources. We have benefited from the cheap labour of those countries.

In 1984 this Government backed away from the international commitment that ODA would reach .7 per cent of GNP by 1990 and instead set the date at 1995. In 1986 the Conservatives fudged again and rolled back the date to the year 2000. The Government should accelerate its plan for ODA and reach the .7 per cent level well before the year 2000.

The Government claims to be a world leader in international development, but ODA as a percentage of GNP has declined since 1984. We are behind Finland. Indeed in 1987 Canada was outpaced by all the Scandinavian countries, the Netherlands and others.

We have a good reputation in the field of development, but it is folly to think we have done our bit. As long as there is hunger and poverty in the world, I am confident Canadians will support more emphasis on improving our international development assistance programs.

I caution the Government, before it drops the axe on international development programs, it would be well advised to examine polling data produced by the North–South Institute. Its polling indicates that 72 per cent of Canadians feel government aid spending was about right or too low. The same poll discovered that 93 per cent of Canadians rank poverty, hunger and disease as the most important international problems. Interestingly, Soviet aggression ranked last on the list. Perhaps the submarine salesmen should take a look at what they can contribute to deficit reduction.

Some Hon. Members: Hear, hear!

Ms. Hunter: I now move on to one hopeful point in the Speech from the Throne, that is the one regarding reproductive technologies and a royal commission on them. I applaud the Government on this initiative, an initiative called for by the New Democrats. We await the terms of reference to govern this commission, but I hope, as the Hon. Member for New Westminster—Burnaby (Ms. Black) called for on Monday, that 50 per cent of the members of that commission should be women. I think that all Members of the House should look into this whole aspect.

I had the opportunity of hearing from one of my constituents who had attended an international conference on this matter. She said that women who have the tragedy of infertility are willing to pay for medical care where, if we submit animals to it, the SPCA would object. It is a tragedy which I hope the reproductive technologies commission will look into.

Finally I want to talk about a subject which I feel is very important, that is, the Speech from the Throne and the environment. Once again, rhetoric and action do not converge. This is an area where we must be careful about the rhetoric being captured by the business community. Sustainable development is becoming almost a dirty word because of who is saying it. I caution people that when they hear those terms they must look behind the language and see the action. There must be an environmental bill of rights to assure Canadians that the Government is sincere in protecting their environment.

In closing, I wish to thank the people of Saanich—Gulf Islands, a politically diverse group that have never before elected a New Democrat. I pledge to work hard on their behalf on issues of national, local and international interest.

Some Hon. Members: Hear, hear!

Mr. Kindy: Mr. Speaker, I want to make a comment on deficit reduction and the debt. One method of reducing the deficit would be to cut expenditures. This could be done by privatizing federal Crown corporations.

The total equity of the federal Government in a list of corporations which I have exceeds $13.5 billion. It costs the Canadian taxpayer another $4.4 billion to have these corporations operating. If those corporations could be sold off, this would generate $17.9 billion for the Government in the first year with the savings on its operation allowance.

The Conservative Government is moving in the right direction by making government more efficient, but we should stop giving hand-outs to inefficient companies and tax remissions to big corporations.

An Hon. Member: Have you got a question?

Mr. Kindy: In the Speech from the Throne the Government talks about expanding our trade. The Free Trade Agreement with the United States will be beneficial to western Canada, and we look forward to widening global and international trade. As a mature and confident people, we know that our economy cannot prosper behind tariff walls and restricted markets. Canadians prefer to support the cause—

Mr. Allmand: Mr. Speaker, I rise on a point of order. It is clear that the Hon. Member is repeating what he did this morning. He is not commenting on the Hon. Member's speech or asking her questions. He is making a new speech of his own.

I was a member of the committee on parliamentary reform that suggested that change in the rules. It was very clear that that period of time after a speech was meant to be used for comments on the speech of the Hon. Member or to ask questions, not to make a new speech. I would ask you as Speaker to keep the Hon. Member within the terms of the rules.

• (1440)

Mr. Deputy Speaker: I am sure the Hon. Member for Calgary Northeast will relate his comments to the speech of the Hon. Member for Saanich—Gulf Islands.

I would also advise Members that there are only five minutes left. I have one more question from the Hon. Member for Saint-Denis, and the Hon. Member for Fredericton would like to say a few words. Therefore, I request that comments be short.

Mr. Kindy: How can we afford foreign aid if we do not have our own house in order? How can we afford all the programs that the Hon. Member is talking about?

Ms. Hunter: I respond with pleasure to the question of the Hon. Member. Foreign aid, especially run under the Conservative Government, benefits the business community. All one has to do is look at the bilateral aid program, which benefits equally the business community of Canada as it does the countries of the Third World. If there was any talk of cutting bilateral aid, we would certainly hear about it from the business friends of the Conservative Government.

I am not advocating cutting aid. I am advocating a sensible policy that is in tangent with our foreign policy.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, of course I deplore the fact that I have only one or two minutes left, but still I want to commend the Hon. Member, particularly for her remarks concerning the international situation. I am sorry she did not get around to the last part because we could spend at least half an hour debating international issues.

When he took the floor, her leader said he wished very strongly that the Right Hon. the Prime Minister of Canada (Mr. Mulroney) travel to Moscow at the earliest opportunity, in the spirit of détente which now prevails among the major powers. Had she been able to or had she had more time, I wish she would have spoken at greater length on that issue. That is my opinion. I hope the Right Hon. the Prime Minister will go to Moscow as soon as possible. In addition, I fully agree with her concerning a ban on nuclear tests in Canada. Had I been given an opportunity to make a speech I would simply have told the Government that, since it has its own agenda and that it includes giving the green light to nuclear tests, I for one would wish that in its agenda—not in mine, not in that of my colleague from Notre-Dame-de-Grâce (Mr. Allmand), and not in those of the New Democratic Party Members—at least one suggestion might be made to the Government.

I would like to hear some comments on that. We would urge the Government to suspend its nuclear tests in a spirit—

Mr. Deputy Speaker: Order, please! I recognize the Hon. Member for Saanich—Gulf Islands (Mrs. Hunter).

[*English*]

Ms. Hunter: One of the motivating factors that brought me into politics was my opposition to Cruise missile testing. It brings into question the whole relationship of Canada in the international community.

Once again, the Tory Government is ruining our reputation by bringing about this type of increased militarization of Canada at a time when the rest of the world seems to be coming to some sort of arrangement for a disarmament treaty.

Members opposite are out of sync with the rest of the world. I wish they would read *The Globe and Mail* once in a while and find out what is going on in the world, so that they could develop their policies with a little more intelligence.

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I have approximately 60 seconds to deliver 12 or 15 pages, so obviously I will have to go to the punch line very quickly.

To be within the rules, I would like to conclude the debate by saying that the Throne Speech does provide great reason for confidence and the ultimate reconciliation and unity of our country. Clearly there is an unflinching resolve by the federal Government to lead Canadians to a common vision of the nation and to an ultimate reconciliation of all interests, including Québec, as willing partners in one Canada.

I am proud to share that vision and to share the responsibilities which it will demand of all Hon. Members to help convey that vision and challenge of one unified country to every one of our constituents.

In all respects, the Throne Speech presents to each of us an historic opportunity to serve our country.

[*Translation*]

Thank you for your attention, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Order, please. It being 2.45 p.m. it is my duty, pursuant to Standing Order 50(8), to interrupt the proceedings and put forthwith the question necessary to dispose of the main motion. Accordingly, the question is the following one. Mr. Richardson, seconded by Miss Gibeau moves:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

Hon. Jean Corbeil (Minister of Labour) moved:

That the Address be engrossed and presented to Her Excellency the Governor General by Mr. Speaker.

Motion agreed to.

Mr. Deputy Speaker: It being three o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 2.46 p.m.

HOUSE OF COMMONS

Monday, April 17, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

ELECTIONS CANADA

TABLING OF STATUTORY REPORT OF DIRECTOR GENERAL OF ELECTIONS

Mr. Speaker: Mr. Speaker, I have the honour to table the statutory report of the Chief Electoral Officer of Canada for 1989.

[*English*]

Accordingly, pursuant to Standing Order 32(5) this document is deemed permanently referred to the Standing Committee on Elections, Privileges, Procedures and Private Members' Business.

* * *

[*Translation*]

FORGIVENESS OF DEBTS (SUB-SAHARAN AFRICA) ACT

MEASURE TO ENACT

Hon. Monique Landry (Minister for External Relations) moved for leave to introduce Bill C-10, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the governments of certain countries in sub-Saharan Africa.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

[*English*]

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties with reference to Bill C-2. I think you would find there is agreement to my moving the following motion:

> That, the order for second reading and reference to a Legislative Committee of Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof, standing on the Order Paper be changed to read "second reading and reference to the Standing Committee on Transport".

Mr. Speaker: Hon. Members have heard the terms of the motion. Is there agreement?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

UNEMPLOYMENT—GOVERNMENT PROGRAMS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have the honour of presenting a petition today on behalf of a number of Canadians who are very concerned that the national unemployment rate remains higher today than before the onset of the 1981 recession. They believe that the Government's programs in a sense work for parts of central Canada, with the emphasis on parts, but really leave the regions out to dry. They are calling upon Parliament to adopt policies and programs that will increase employment in Canada, which of course will include the reduction of interest rates and provide for greater regional investment by the federal Government.

NORTHERN TAX ALLOWANCE

Mr. Rod Murphy (Churchill): Madam Speaker, I have a petition signed by 5,266 individuals in Thompson and Wabowden, Manitoba expressing their displeasure and discontent with regard to the Government's attempt to take away their northern tax benefit, to reduce it by one-third this year. They point out in this petition, which is signed by almost the majority of people living in those communities, that the Government appointed a task force on northern benefits, and that that report has yet to be made to the Government, and for the Minister of

Finance (Mr. Wilson) to penalize these communities, along with a number of other communities in northern Alberta and northern B.C., indicates that the Government is completely unfair in its approach to the entire tax system. The undersigned, your petitioners, humbly pray and call upon the House of Commons to direct the Minister of Finance to reconsider this major change of heart for the 1988 taxation year, and that there should be no changes to any taxpayer currently residing in a community within the prescribed areas until the task force has made its report.

PROTECTION OF RAIN FORESTS

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I have the pleasure to present a petition from 132 petitioners in my riding on a topic that concerns all Canadians. This petition deals with the world's rain forests. The world's rain forests are an essential link in the global environment and ecosystems and are therefore important to the future safety of the world and all its creatures. The destruction of the tropical rain forests in areas such as Brazil, Central America, and southeast Asia is of great concern to the petitioners, and in fact to all of Canada.

Therefore, your petitioners humbly pray and call upon Parliament to take vigorous economic, political or other sanctions as may be available to the Government and all its agencies against those nations which are destroying the rain forests in our world today.

DESIGNATION OF ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Madam Speaker, I have the pleasure to present to the House today a petition from a number of residents of Scarborough concerning saving the Rouge Valley. The petitioners are very encouraged today because yesterday the Minister of the Environment (Mr. Bouchard) toured the Rouge Valley. He said the whole area was a miracle that it should be saved in the form that it is, and he urged the provincial Government to play its part in terms of saving the Rouge Valley as a provincial park. The Minister affirmed the $10 million that the federal Government is giving to the province to save this valley as a provincial park. Of course it is contingent on no dump and no freeway being put through the Rouge Valley. The petitioners join the Mayor of Scarborough, as well as Save the Rouge Valley System Volunteers, and the Coalition of Scarborough Community Associations in supporting saving the Rouge Valley. They humbly pray and call upon Parliament to work with the Government of Ontario to establish the Rouge River Valley as a Canadian heritage land or provincial park.

* * *

• (1110)

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Peace River): Madam Speaker, I ask that all questions be allowed to stand.

Mr. Murphy: I rise to ask the Parliamentary Secretary the same question I asked him on Friday. When does he expect that he will start answering questions?

Mr. Cooper: Madam Speaker, the same answer that was given on Friday applies today—soon.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (Minister of Transport) moved that Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof, be read the second time and, pursuant to order adopted earlier today, referred to the Standing Committee on Transport.

—He said: Madam Speaker, it is a pleasure today to start the debate on second reading of Bill C-2, an Act to establish the Transportation Accident Investigation Board.

First of all, I would like to inform the House that upon completion of second reading, the Bill will be referred to the Standing Committee for further study.

Madam Speaker, we firmly believe that Canadians will find in this legislation a number of provisions that will reassure them and restore their confidence in the safety of their transportation system, whether they travel by air, rail or ship.

[*English*]

Unfortunate events in recent months have served to undermine the confidence of Canadians in the Canadian Aviation Safety Board. Two weeks ago I announced two independent inquiries into aviation accidents which occurred in Canada. I asked Justice Willard Estey to review the entire record of the investigation into the Gander accident. He will submit his report to me within three months.

Justice Virgil Moshansky of the Queen's Bench of Alberta was appointed to conduct a full inquiry into the recent tragedy at Dryden. I asked Justice Moshansky to submit an interim report within six months, and a final report with recommendations as required within one year.

Our responsibility, when faced with such situations, is to take all the measures necessary to reassure the travelling public. This is exactly what we are doing today. The confidence Canadians put in the safety of the air transportation system is just as important as the level of safety which actually exists. In this regard I do not hesitate to state that Canada has one of the best safety records in the world for all modes of transport. Maintaining and improving this record is my highest priority. As we all know, this is a task which is never truly complete.

For the first time in history of Government, this Government has enshrined its commitment to transportation safety in legislation. I refer to the National Transportation Act adopted by this House on June 18, 1987, and proclaimed on January 1, 1988. I quote in part from the Act which states: "—under conditions ensuring that—the national transportation system meets the highest practicable safety standards—"

The legislation we have before us today is another major step in a series of initiatives undertaken by this Government since 1984 in support of this commitment. These safety measures include amendments to the Aeronautics Act in 1985, amendments to the Canada Shipping Act in 1987, and most recently the new railway safety legislation.

However, the foundation of a truly safe transportation system rests on our ability to learn from the past. That is to say our ability to learn all we can about the causes of accidents in order to prevent them in the future. This essential element of transportation safety is being addressed today in a logical and comprehensive manner.

Bill C-2 is the result of extensive consultations with interested parties and reflects many of the conclusions and recommendations contained in various safety studies, evaluation reports and inquiries conducted in recent years.

In addition to the valuable comments and suggestions provided by the wide range of transportation interests, we had the benefit of the views expressed in the Dubin inquiry into aviation safety, the Deschênes study on marine casualty investigation, the Foisy inquiry into the Hinton derailment and the Hickling evaluation of the CASB, and the Sopinka review of the CASB.

[*Translation*]

Madam Speaker, in establishing the Transportation Accident Investigation Board, we have opted for an integrated approach to safety systems, as was in fact recommended by other parties. This means that from now on, a single agency will be responsible for investigating transportation accidents, whether they occur in the air, on our waterways, on our railways or in our commodity pipelines.

The new board will therefore absorb three existing agencies: the Canadian Aviation Safety Board, the Transport Canada group responsible for investigating shipping casualties, and the branch of the National Transportation Agency which is responsible for investigating accidents on railways and in commodity pipelines. This multimodal approach offers several advantages. It will make it possible to pool specialized resources in areas such as engineering, medicine and psychology, while the experiences of each transport mode can be shared as well.

It goes without saying that our various types of transportation will be on an equal footing. I want to make this quite clear, because some concern has been voiced in this respect. By establishing the Transportation Accident Investigation Board, we will also be responding to calls for an independent agency that came from most of the groups concerned. The Board will therefore be separate from any of the departments. It will be accountable to Parliament through a minister designated by the Governor in Council. The independence of the new agency is a guarantee that investigations will be conducted fairly and objectively, since from now on, those who investigate shipping and railway accidents will not be connected in any way to those who determine the safety regulations, thus Madam Speaker, eliminating any possibility of a conflict of interest.

The investigation procedure provided in the Bill meets standards of effectiveness that are essential if the Board is to fulfil its mandate satisfactorily. Investigators, in addition to their guaranteed independence, will have

extensive powers. They will enjoy certain facilities for obtaining the information they need to determine the causes of accidents.

However, the role of the Board will not be to assign fault or liability, insofar as safety is concerned here. Thus, it will be limited to indicating breaches of safety, determining the causes of accidents and making appropriate recommendations to improve safety.

We also insisted, Madam Speaker, that the process to investigate transportation accidents be more open. Thus, parties with a direct interest in the causes and effects of an accident will be invited to participate in the investigation. They will be able to delegate representatives and the Board will submit draft reports to them. The reason for this openness, obviously, is the need to search for the causes of an accident as thoroughly as possible.

Now, by creating an agency independent of government departments, by giving extended powers to investigators and by encouraging an open investigation process, we ensure that nothing will escape those responsible for the investigation. That is what it takes to make our safety system the best. That is also what it takes to increase Canadians' confidence in their transportation safety system.

• (1120)

[*English*]

While this new Board would have a mandate similar to that of the Canadian Aviation Safety Board, a clear definition of their roles and responsibilities would be beneficial to the board of members, the chairman and the staff respectively. This will remove a source of unproductive conflict which serves to undermine the confidence of Canadians in this agency. Board members will apply their experience and expertise to the setting of the policies and procedures to conduct investigations, the reviewing of the reports submitted by the directors of investigation, and most important, making safety-related recommendations.

The directors of investigation, on the other hand, will have exclusive authority to directly conduct investigations in accordance with the policies and procedures established by the Board members. This clear separation of responsibilities will allow Board members to objectively review the reports submitted by investigators and will remove any perception of conflict of interest which might exist if Board members were actually conducting the investigation. While these provisions will remove one source of conflict, I cannot promise that it will ensure the total absence of dissension in the new Board nor, frankly, would I wish it would do for, as we in the House know very well, disagreements are not only part of the human condition. They can and often do lead to a better result. In this case the result will be a safer transportation system for all Canadians.

[*Translation*]

Madam Speaker, we have benefited from the experience gained by the Aviation Safety Board since it was created in 1984. This Bill takes account of it to a great extent.

First, we decided to limit the number of members of the new Board to five, whereas the number of members of the Aviation Safety Board was unlimited.

In addition to clearly establishing the roles and responsibilities of everyone at the Board, as I explained earlier, Bill C-2 expressly asks the Board not to hesitate in determining the causes of an accident and presenting complete conclusions, even if someone may later be held responsible.

Bill C-2 formally gives the Board power to set policies on the nature of the transportation accidents that it will investigate and the extent of its investigations.

The Bill also provides measures to further protect human rights when the investigators exercise their powers. Thus, from now on investigators will have to have a warrant to exercise their search and seizure powers.

This Bill, Madam Speaker, is totally in keeping with a series of actions that we have taken in the last several years to improve safety in all systems at Transport Canada. It is based on the experience acquired over many years and we can say that it provides the best possible formula to investigate accidents. The mechanisms contained in it will no doubt enable us to respond to accidents diligently and effectively and, above all, to prevent their recurrence.

I hope that the Hon. Members who will consider it in committee will look at it from this point of view and in light of the prevention objectives that we have set forth.

[*English*]

I invite Members of this House to give careful consideration to the Bill in committee. I will be pleased to consider any amendment which will serve to advance the cause of transportation safety. Once again I would like to emphasize the importance of this legislation. It is an essential key to a safer transportation system for tomorrow, essential also because it affects the level of confidence Canadians have in a vital sector of our national economy.

In conclusion, Madam Speaker, I want to assure Members of this House and the travelling public that we will never relax our vigilance nor our efforts to constantly maintain and improve the higher level of transportation safety which currently exists in this country.

Mr. Maurice A. Dionne (Miramichi): Madam Speaker, I take the commitment by the Minister in his final statement at face value. I think that Canadians deserve nothing less. However, I do not agree with the Minister's assessment of what this Bill will do. If he is going to ensure what he just said, this Bill is going to require a lot of reworking. This Bill, called an Act to establish the Transportation Accident Investigation Board, purports to establish an investigative body to inquire into the causes of accidents in the air, on the land and on the water as well as commodity pipelines within Canadian territories.

It might at first blush seem like a laudable idea, but if we look at the *raison d'être,* it is readily apparent that the genesis had no such nobility at all. Indeed, the motive of the Government is all too apparent: to wit, it is an attempt to sweep under the rug the botched investigation into the crash at Gander and an ignoble attempt by this Government to exonerate itself.

Let us take a quick look at what happened at Gander after that awful crash. First, four of the nine members of the Board issued a dissenting report *vis-à-vis* the conclusions of the investigators that icing was the cause of the crash. These members are professionals. They were told in a letter from the Minister to follow and support the chairman, no matter what their professional conclusions told them. In other words, the Minister was in effect telling them to put aside their professional conclusions and say, aye, aye, sir, to the new chairman.

The Minister went further. He sent the same letter to Brigadier-General Roger Lacroix even though he was no longer a member of the board. I think that smacks of intimidation and cover-up. All this took place after Mr. Justice Sopinka said there was a rift between members of the Board and aviation investigators, and they were unable to get investigations that they felt were necessary.

• (1130)

Let us examine what Mr. Justice Sopinka said, first with respect to respective powers and duties of the Board and chairman. Mr. Sopinka observed serious problems within the Canadian Aviation Safety Board, including a breakdown in the day-to-day operations, division between members and the chairman, division between members and the accident investigators, and dissensions among members.

The following is the passage that best sums up Mr. Sopinka's comments:

> The main problem, generally stated, is that the CASB is not operating as a cohesive unit in pursuance of its objective of identifying safety deficiencies and making recommendations to remedy them. Rather, it has become fractious to the extent that some of its members are in open conflict with the chairman and there is a rift between members and the accident investigators who view themselves as independent of the board members.

Mr. Sopinka states in a later comment:

> It is fundamental to its image as an independent body that its direction be vested in a board and not an individual.

He was referring to the powers conferred in the chairman of the CASB, and how many of these powers should be conferred to the Board.

Let us refer to Mr. Justice Sopinka's recommendations to the Minister of Transport (Mr. Bouchard) in February, 1988, regarding Clause 5 of the Transportation Accident Investigation Board Bill, dealing with powers and duties of the chairman.

He recommended that Clause 5 be replaced by the following:

"1. The Chairman is the chief executive officer of the Board and subject to Section 2 hereof shall have the responsibility for the administration of the Board and

such powers and duties as are delegated to him by the Board.

2. In exercising the powers conferred on him by subsection 1, by the Public Service Employment Act, and the Financial Administration Act, and by this Act, the Chairman is subject to and shall act in accordance with the general policies, resolutions, rules and regulations of the Board.

3. In the event of the absence or incapacity of the Chairman, or if there is no chairman, the Governor–in–Council may authorize a member to act as chairman for the time being and a member so authorized, while so acting, has and may exercise and perform all the powers and duties of the Chairman".

Clause 5 of the Transportation Accident Investigation Board Act states:

(1) The Governor in Council shall designate one member to be the Chairman of the Board.

(2) The Chairman is the chief executive officer of the Board and has exclusive responsibility for managing personnel matters, financial matters and property matters and for all other aspects of the internal management of the Board, including

(a) directing the staff and apportioning its work, subject to subsections 10(2) and (3);

(b) directing the members and apportioning their work, subject to section (8); and

(c) convening meetings in accordance with section 12 and presiding at meetings in accordance with any by–laws made under paragraph 8(a).

(3) The Chairman may, subject to any limitations specified in the instrument of delegation,

(a) delegate to any member any power or duty of the Chairman related to

(i) convening or presiding at meetings or

(ii) directing the members or apportioning their work, and

(b) delegate to the staff of the Board any power or duty of the Chairman under this Act, except the matters described in paragraph (a)

(4) A delegation under subsection (3) may be revoked in writing at any time by the Chairman.

(5) In the event of the absence or incapacity of the Chairman, or if the office of chairman is vacant, a member designated, either before or after that occurrence, by the Governor in Council shall act as Chairman during the continuance of that absence or incapacity or until a new Chairman is designated.

Mr. Justice Sopinka's recommendation to confer to the Board presently held powers of the chairman was rejected outright. Instead, the chairman's powers, duties and responsibilities have been increased. Therefore, in accordance with Mr. Sopinka's legal opinion, the serious problems of dissension and division caused by the Board's inadequate powers will continue, if not worsen. In no way does Clause 5 of the Transportation Accident Investigation Board Bill address this problem which threatens the independence of the Board. Increased powers to the chairman, as Mr. Justice Sopinka noted, does not allow for an amelioration of the relationship between the Director of Investigations and the Board members.

Mr. Justice Sopinka observed that evidence was being withheld from the Board of the CASB by the Director of Investigations. He further noted that the Director of Investigations placed serious limitations on Board members. Mr. Justice Sopinka commented that: "Because of limitations placed upon the Board members by the Director of Investigations, the Board is precluded from conducting a meaningful review in many instances".

In his summary, Mr. Justice Sopinka stated the main cause of this serious inconsistency to be the fact that the Chairman appoints the Director of Investigations under the CASB Act. He said that this situation was based on the rationale that the Board is an adjudicating body and should be separate from the investigators because the Board adjudicates on the findings of the investigators. Mr. Justice Sopinka totally disagreed with this rationale, and so do I. He noted that this is an erroneous concept. The Board is an investigative body and its report is not a judicial or quasi judicial finding. Indeed, the Canadian Aviation Safety Board Act expressly prohibits the Board from finding fault or liability.

The field investigation and the preparation of the report of the Board are one process and should not be torn asunder.

Mr. Justice Sopinka therefore recommended that the Board appoint the Director of Investigation under the Transportation Accident Investigation Board Act because the Board bears the responsibility, ultimately, for the quality of the report.

It should be noted that the Canadian Bar Association concurred with Mr. Justice Sopinka as well. In a report submitted in April, 1987, to Transport Canada, the Canadian Bar Association, also responding to a request for comments on the draft version of the Transportation Accident Investigation Board Bill, stated that there are three features of the legislation that, in the Canadian Bar Association's submission, jeopardized the necessary

degree of independence. The first of these relates to the appointment and role of the Director of Investigation required by Clause 9 of the TAIB draft Act. The clause is strangely silent on the question of who appoints the director. It should be clear that it is the Board for otherwise independence of the Board is directly threatened. This threat is all the more serious when it is considered that the director has the exclusive authority to direct the conduct of investigations by the Board.

• (1140)

Two highly respected legal opinions recommended strongly that the directors of investigation be appointed by the Board so as to establish the Board's ultimate independence in its relationship with the investigative division.

The second recommendation relates to conferring powers or authority on the director in a manner that would have unduly restricted the Board's activities. The Canadian Bar Association summarized it by saying that the director being appointed by the board is a mark of independence showing that a tribunal controls its own procedures. However, the Government of Canada saw fit to do otherwise in total opposition to the opinions of a Supreme Court judge and the Canadian Bar Association, two very highly respected sources of opinion. Instead of adopting these recommendations and granting the power to appoint the directors of investigation to the Board, the Government opted for the *status quo*.

I will suffer the House to listen to Clause 9 of the TAIB Bill as introduced on July 8, 1988, because I think it is that important. Clause 9(1) provides that such employees as are necessary for the proper conduct of the work of the Board, including investigators shall, be appointed in accordance with the Public Service Employment Act. If a conflict of interest would not thereby be created, the chairman may engage on a temporary basis the services of persons having technical or specialized knowledge to assist the Board in carrying out its duties under this Act and may pay them such remuneration and expenses as the Board, with the approval of Treasury Board, may fix. In this clause as it is drafted, the board does not have the power to appoint the directors of investigation. The Public Service Employment Act confers this authority upon the chairman.

Clause 9(2) also confers upon the chairman the authority to appoint any additional staff as required. Both Clause 9(1) and Clause 9(2) are diametrically opposed to the recommendations of Mr. Justice Sopinka and the Canadian Bar Association. Why has the Government taken that route?

Why would the Government wish to restrict the activities of a board being established for the purpose of maximizing its independence? Why maintain a clause within a Bill that has proven to have contributed to widespread dissension because the director of investigation, supported by the chairman, has withheld key evidence from the Board, thereby seriously restricting its ability to report and recommend safety measures? Is any board in Canada truly independent when staff not only control the procedures but in fact set the agenda? The Canadian Aviation Safety Board has been plagued by this situation for some time and there is no reason whatsoever to believe that the new TAIB will not be similarly affected.

Mr. Justice Sopinka recommended that Clause 9(2) be redrafted by substituting "board" in place of "chairman" in the second line in order to conform with the Public Service Employment Act and the Financial Administration Act. Clause 9(1) remains the same, but as pointed out above, the chairman acts subject to the limitations of Clause 5. Without doubt, had these recommendations been incorporated into the TAIB Bill, the new Board would have had full authority over its staff and would have functioned as a truly independent board of directors.

The independence of the Board from Transport Canada is now in jeopardy because of the following: first, the observer status. Clause 23(2)(a) of the TAIB Bill allows the Minister of Transport to designate an observer at any investigation of any transportation occurrence. This provision recognizes that the Minister of Transport (Mr. B. Bouchard) has the authority to designate an observer at any time for any occurrence, an authority which no other party has. The question is, does this erode in any way the independence of the Board. I believe it does.

Mr. Justice Sopinka concluded that the Board's investigators would not be biased by the presence of an observer designated by the Minister. The Canadian Bar Association did not view this in the same light. The mere existence of the preferred status is undesirable and indeed unnecessary, it says. The Canadian Bar Association felt that because Clause 23(3) empowered the Board to remove an observer and therefore the Minister's representative, why should it not be simply empow-

ered to confer observer status on that representative in the first instance. The Canadian Bar Association concluded that this special status which was maintained in Bill C–142 represents an erosion of the Board's independence because the Minister, not the board, holds the power to designate.

Second, we must talk about the career opportunities of investigators. Mr. Justice Sopinka observed that investigators at the CASB demonstrated favouritism toward Transport Canada at the expense of the board because all opportunities for career advancement rested with Transport Canada. In other words, there is the suggestion that because these investigators, in looking for career advancement, must go to Transport Canada, they have to please Transport Canada. This situation was seen to have contributed to a reduction in co–operation with board members and therefore an erosion of the board's independence. Mr. Justice Sopinka stated that the investigators always had one eye on the job with Transport Canada. He recommended that a new provision be added to Clause 9 that would prevent investigators from seeking employment with Transport Canada for one year after termination of employment with the board. His recommendation for Clause 9(5) is that no person who has been designated under Clause 9(1), while he holds a certificate of such designation or for a period of one year after he ceases to hold a certificate of designation, shall be employed by Transport Canada without the approval of the board.

Some of the most serious problems with the Canadian Aviation Safety Board Act have not been addressed in the proposed transportation accident investigation Board Bill. Strong recommendations submitted by the Canadian Bar Association and Mr. Justice Sopinka among others, recommendations which would have gone a long way toward correcting these problems, have been rejected by the Government. Therefore, it is expected that the dissension, conflict of interest and erosion of the board's independence which plagued the CASB will simply be transferred to the new TAIB. Both the chairman and the director of investigation are perceived to hold too much power in the present board. This situation ties the hands of the board in limiting its role and function while infringing on its independence. Moreover, the TAIB Bill fails to cut some of Transport Canada's conduits to the board which also restricts its independence.

• (1150)

The failure of the Government to adopt recommendations from two of the most respected sources of legal opinions in Canada raises serious questions. Many controversial and contradictory events have taken place at the CASB in recent times. These need no elaboration. Why has the Government chosen not to adopt provisions that would have corrected these and gone a long way toward improving transportation safety standards in Canada?

The concept of an independent Board to investigate transportation accidents in the air was created in 1984 under a Liberal Government. It was an excellent idea which has been applauded by experts all over the world. The new Transportation Accident Investigation Board that the Minister is proposing to replace the Canadian Aviation Safety Board is modelled after the CASB, and rightly so.

Accident investigation is a crucial element in ensuring high levels of safety standards in this country. The recommendations flowing from investigation reports form the cornerstone of Canada's safety regulations which protect travellers on a daily basis. Therefore, this new multi–modal investigation agency must be of the highest standards, employing top Canadian experts who remain thoroughly independent from the Minister. We will ensure that the TAIB is such an organization by the time this Bill becomes law.

The Liberal Party is curious as to why this multi–modal board is being established on such an urgent basis. Is it really to promote increased safety, or is it to effectively wipe out the four dissenting board members who, for the last three years, have been questioning the causes of the Gander crash? Is it to eliminate dissension on a future board, or is it to eliminate dissenters on the present board?

We believe that the CASB would not have had to be eliminated and replaced at this time had the Government done the only right thing several months ago and called a judicial inquiry into the Gander crash, before the dissension on the Board had grown to a point of being unworkable.

This unjustified delay not only compounded the problem of dissension, but contributed to a lengthy public debate and put into serious doubt the ability of the Government to safeguard the high safety standards to which Canadians have become accustomed.

This Bill was read for the first time in the previous session on July 8, 1988. At that time the Minister stated: "The National Transportation Act—places safety at the top of our list of objectives. The Government takes this commitment seriously—". That was a very honourable statement, Madam Speaker. However, since that time Canadians have learned that the Government did not take that commitment seriously. Since then we have learned of the serious shortage of air traffic controllers at Canadian airports, the ironic shortage of inspectors for large commercial aircraft, the controversy over the cause of the Gander crash, the Government's inability to offset the dangerous effects of deregulation, the Dryden crash, and other serious shortfalls.

We can only hope today that the Government is serious about committing itself to high safety standards for Canadians, and is not about to generate more rhetoric without action. The safety of Canadian travellers is far too vital to be mishandled in any way. It is far too vital for political games to be played with the safety of Canadians.

We could go on and on about the Government's negligent mishandling of air safety. It is well documented and requires an immediate remedy on several fronts. Today, our attention is focused on transportation accident investigation and the new Bill C-2 presently before the House.

The Liberal Party of Canada believes that the Government is making a serious mistake by rushing this Bill through the House before Mr. Justice Willard Estey has had an opportunity to review the record of investigation into the circumstances surrounding the Gander crash.

We say this because Mr. Justice Estey's review may—and I use the word "may"—result in a recommendation to the Minister for a judicial inquiry which would have a profound impact on aviation accident investigation, and subsequently on Bill C-2.

In the same manner that the Dubin inquiry preceded the Canadian Aviation Safety Board Act of 1984 whose recommendations form the backbone of that piece of legislation, we strongly believe that a full judicial commission of inquiry into the Gander crash should, by all reasonableness, precede this legislation. Only in this manner can we establish an accident investigation agency that will promote safety in Canada to maximum efficiency, and operate on a day-to-day basis with the least possible opportunity for dissension to arise.

We believe that for reasons of covering up certain compromising events, the Government has refused to call a judicial inquiry over the last several months, and now it is clearly caught in a situation of putting the cart before the horse. From the very beginning of its mandate, the Government has not listened to the people. From day one it has had a hidden agenda, an agenda to sell us out to the Americans. However, in this incident when Americans were killed on Canadian soil, the Government even failed them and their surviving relatives. No effort, no expense, and no fear should have prevented a calm, thorough, and orderly investigation of the crash at Gander.

This Bill should go back to the drawing board. It should be redrafted from a to z. If it is not, it will have a very turbulent flight through the committee stage. We in the Official Opposition will not let this slipshod travesty of a Bill go forward in its present form.

Someone has done a snow job on the Minister. This Bill is designed to be unworkable. The entire Board is a mirage. The investigator is responsible to himself, and the latest government attempt by Mr. Justice Estey's inquiry is not likely to produce much new information because, by his terms of reference, Mr. Estey is not allowed to look at any new information. Again, it looks like a whitewash.

No new information will be heard from anyone. I think that that is important. Who does the Government think it is kidding? Canadians are entitled to better than this from the Minister and the Government.

While the Minister's words were laudatory in his presentation of Bill C-2 on second reading, I would strongly urge him to take the advice of other people to go back to the drawing board and to call a judicial inquiry into the Gander crash, and start over and draft a Bill that will in fact make it possible for Canadians again to have confidence in the air and on the ground.

• (1200)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I wish to start my contribution to the debate on Bill C-2 by apologizing to the Minister and my colleague, the Hon. Member for Miramichi (Mr. Dionne), for not being here for the Minister's full presentation and the first half of the Hon. Member's presentation. The

realities of air transportation do not get one from one's riding through Toronto very quickly these days.

I want to start first by saying a few things about my colleague, the Member for Regina—Lumsden (Mr. Benjamin), who just joined us, who has been the NDP's transport critic for over 20 years. He has said, I told you so, to more Ministers of Transport than I think a lot of us could ever remember. And he has usually been right. When he has told the Government, whether it has been a Liberal Government or a Conservative Government, that they were going off on the wrong tangent, or they were doing the wrong things, time proved him correct. I think it is important that we listen to individuals like the Member for Regina—Lumsden, and thank him for his contribution to transportation, to air safety, to rail safety, to all forms of transportation in this country.

I am going to approach Bill C-2 on a fairly non-partisan basis. I think we have to recognize that we are in a point in history when we have to learn from our mistakes. The Hon. Member for Miramichi was castigating the Government over what they were doing, but in fact all the Government has done is to recreate the Canadian Aviation Safety Board legislation under the new Act. That CASB legislation, I want to remind Members, was a creation of the former Liberal Government. They were the ones who put in place the rules that we found so unworkable as we came to examine serious crashes in this country.

Let us be very clear, this is not a Bill that is there to quickly enhance safety in this country, whether it is safety in the air, safety on the rails, safety on the water, or safety in terms of moving commodities by pipelines. This is a Bill designed to pick up the pieces, to find out what went wrong, why it did not go right and who failed. That is the purpose of this Bill. It is an after the fact piece of legislation. Hopefully, because of the work done by the investigators and by the Board, we will find out the why, and be able to make recommendations so that that situation is not recreated on another rail line, on another aircraft, or another pipeline somewhere down the road.

The whole process is a confused one. It is a confused one within the Board itself as it existed under the CASB, which is now being recreated almost identically under the National Accident Investigation Board. There is confusion in terms of the relationship between the old BOARD, THE NEW Board, and the Minister. Is there a conflict of interest? Is there a perceived conflict of interest?

What happens when it comes down to enacting the recommendations of the new Board? And let us say they are not disputed recommendations, that it is a unanimous recommendation that this went wrong and the Government should do this to prevent it in the future. What happens if the Government comes back and says, "Thank you very much, Board, but no, we cannot afford it, or we do not think you are right." It is a very confused relationship, and what I would like to do this morning is to outline some of the concerns and some of the questions that a number of people have with regard to how the CASB has operated, how they see the new multi-modal Board operating, and lay out some responsibilities and some possible roles for the transport committee to take this legislation, to hear from people in the know, people who have been involved in the CASB, people who are railroaders by lifestyle, by profession, who work on the ships, and the engineers, not just in the context of an aircraft engineer, a ship engineer or a pipeline engineer, but those specialists who have an understanding of how things fly, how things move, and what can affect their ability to get from point A to point B safely.

I want to take a look at what has gone on in the past. I think it is important that we reflect on the two studies that have been done for the former Minister of Transport, as it relates to the Canadian Aviation Safety Board and its operation, in particular, the apparent conflict between board members, who I might add were appointed both by the previous Liberal Government and by the current Conservative Government. Those two Parties have some responsibility for at least recognizing that they have had a say in how that Board would function, and who has been on it. I think we have to recognize that.

A counsel for Stikeman, Elliott in Toronto, now Justice Sopinka of the Supreme Court, in a letter to the then Minister of Transport, now Minister for International Trade (Mr. Crosbie) on February 3, 1988, wrote:

> The main problem, generally stated, is that the CASB is not operating as a cohesive unit in pursuance of its objective of identifying safety deficiencies and making recommendations to remedy them". Rather, it has become fractious to the extent that some of its members are in open conflict with the Chairman and there is a rift between members and the accident investigators who view themselves as independent of the Board Members.

> The result of this dissension is that many members of the board feel powerless to carry out their mandate. On occasion some of the Board members have been unable to obtain investigation of facts which they consider essential in order to carry out their function. The investigators have taken the position that the material upon which the Board is to operate is the report prepared by the investigators.
>
> Suggestions or requests that the investigators examine other facts or causes have been met with the observation that the investigation is exclusively within the prerogative of the Director of investigations.

One would ask, why have a board if there is going to be staff who do all of the work? It continues to read:

> I have observed that, in the position they have taken, the investigators are supported by the Chairman. The latter has interpreted the provisions of S. 5 of the CASB Act and the provisions of Public Service Employment Act and the Financial Administration Act as conferring on him virtually exclusive power to run the Board and its staff subject to his right to delegate to Board Members such powers as he deems appropriate.
>
> This view does not extend to the Board's power to review the accident reports but as I point out because of the limitations placed upon the Board members by the Director of Investigations the Board is precluded from conducting a meaningful review in many instances.

That is the key element in this legislation and any other legislation. When we as a Parliament establish a board, do we establish it as a rubber stamp of a group of bureaucrats who perhaps have expertise in investigating or administering, or do we give them the authority to take charge? In some cases they may do it through their chairman, in some cases they may do it through a director of investigations, or a chief administrative officer.

We have to be clear in this House as to what role we want to impose on them. I think what Justice Sopinka was saying in his letter to the Minister was that it was not clear. There were those who interpreted the Board as a rubber stamp board, that really the power was within the chair and the Director of Investigations, and that the Board itself could not in any way attempt to focus investigations in a certain area, to point out gaps in investigations, and forthwith have the investigators go and check that area. There seems to be a real gap in the authority and the delegating of authority. That is one of the tasks that we have to assume as members of the transport committee who will be charged with the responsibility of reviewing Bill C-2, that is,to take a look at that relationship.

Let me go back again to the letter to the Minister, and I am dealing with another factor. It reads:

> The fact that the CASB reports to Parliament through, and has its Estimates presented by the Minister of Transport, has also been referred to as contributing to the appearance of conflict.
>
> Finally the view in the industry is that the competence of the investigators and the quality of their investigations and reports has deteriorated in recent years. Some feel that there is insufficient investigation of human factors, and that the Board lacks technical expertise and facilities. The investigators, on the other hand, complain that they spend valuable time attending as witnesses in court or at coroner's inquests.
>
> Not all of these problems, particularly the last, can be solved by changes in the legislation. Much of the success of the future Board, as in the case of any body or organization, will depend on the quality of people appointed and the resources provided.

I will come back to those aspects later.

• (1210)

I want now to turn to a study done again for the former Minister of Transport by James F. Hickling Management Consultants Ltd. It was submitted to the Minister of Transport on October 30, 1987. At the time the report was held up as an example to say that there were no problems with the Board, that everything was A-okay. However, upon close reading of the report, going beyond some of the summary comments, and if we look at the details of surveys conducted, as well as discussions with board members and with officials and staff of Transport Canada, from commercial aviation and general aviation people and others we find that there is a relatively high level of uncomfortableness with the activities of the Board and its staff.

Let me start out on a positive note. One of the questions that was asked was: "Do you feel that CASB operates as an aviation safety organization separate and independent from Transport Canada?" The vast majority, 24 to 1, said: "Yes". Another question asked was: "Do you believe that CASB is in a conflict of interest with Transport Canada?" Some 18 respondents stated that there was no conflict while 6 responded affirmatively. It is interesting to note that three of the six are from Transport Canada, two from commercial aviation and one from general aviation. It is not as if this was a bee in the bonnet of one group, it was spread throughout the industry. Thus it is safe to say, as is stated in the report's summary comments, that slightly under 25 per cent of respondents believe that Transport Canada and CASB

are in a conflict of interest, with both the commercial aviation respondents believing that there is a conflict.

One point mentioned in support of the claim that a conflict exists is that under the Act the Minister of Transport may appoint a representative to attend any investigation. This was seen as an example of conflict inasmuch as no comparable privilege is available to other interests and involved parties.

Another question asked was: "In your opinion are the findings of CASB objective, i.e. are they impartial?" A total of 18 replied affirmatively while 6 replied negatively. Four out of the six who replied negatively were from Transport Canada. We see the development of a pattern in which so far in the public debate there has been a conflict among board members. But here there is an indication that Transport Canada officials, and I assume that these are the people who work directly with CASB or who are concerned about aviation safety, are questioning the objectivity of the Board.

Another question asked was: "Are the findings of the CASB credible?" Sixteen said: "Yes" while seven said: "No". Six of the seven were from Transport Canada. Close to 30 per cent of the respondents questioned the credibility of CASB. Another question asked was: "Are CASB recommendations technically feasible, i.e. can they be implemented?" Eighteen said: "Yes" while six said: "No". Six of those were from Transport Canada.

The respondents were asked: "Are CASB recommendations economically feasible?" Fourteen said: "Yes" while nine said: "No". That is to say that 36 per cent of the respondents believe that CASB recommendations are economically not feasible while 56 per cent believe that they are.

Madam Speaker, if you look at that just on the surface you will say: "There is a problem. CASB is off the mark. They want the sky. They want chapter and verse to ensure that there is no risk whatsoever". I recall a study that I had the CASB initiate. It was a safety study concerning the area of northern Ontario between Wawa and Kenora. There was a belief that in an area referred to as the Wawa triangle there was an extraordinarily high number of general aviation accidents. As a result of a particular crash in the Wawa area the CASB agreed to evolve the study into a general safety study of the region. It found that that part of northern Ontario had a higher level of accidents per capita than the Canadian average. It was not as high as northern Canada. Some of the reasons for this were pilots unfamiliar with the area pushing into the weather and a few other minor reasons. It recommended improvement of weather services.

A report went to the Minister and the Department who came back and said: "No". They argued at the time that in some cases what CASB had recommended was not technically possible at this point in time. In other cases they indicated that they were not prepared to do it. We just cannot assume that CASB is the one at fault when we read this particular statistic in terms of the economic feasibility of the recommendations.

The question of staffing is the nub of the problem in air safety in Canada. The question asked in this respect was: "Are findings and recommendations made available in a timely manner?" Fifteen respondents said: "No" while seven said: "Yes". Some 60 per cent of respondents believe that Canadian Aviation Safety Board findings and recommendations are not made available in a timely manner. This figure is higher for Transport Canada than for other respondents. Non-Transport Canada respondents are evenly divided on the matter. As of last September there were 81 members of the inspection staff. On average they received 600 occurrences to investigate a year. They have a backlog of 1200, to which they have yet to respond. Is that because the Minister of Transport has been unable to acquire the person-years necessary to maintain the level of investigations appropriate given the response time needed? This gives us a sense of how people outside of CASB feel about the operations of the Board.

I would now like to return to the role and size of the CASB as detailed by Hickling Management Consultants. This is the report about which the Government spoke very highly and one which was used as a defence to criticism from the Members on this side of the House concerning the Government's lack of action.

The role of the CASB and the roles of individual CASB members relative to that of the chairman have been the subject of much recent discussion within CASB. Representations have been made to outside bodies by individual board members and by the Chairman of the Board to seek advice , clarification and direction on individual aspects of these two issues.

Dealing first with the over-all role of the CASB, interviews of CASB board members and senior officials suggest different interpretations of the Act with regard to the appropriate degree of involvement of the board members in this investigation function. A questionnaire subsequently confirmed this. From the analysis of the questionnaire it was found that the board members who responded to the questionnaire were evenly split on the

key issue of the independence of the investigation function. Results obtained from the questionnaire shed some insight into why some board members felt this independence in Canada had been detrimental to the operation of CASB. With the exception of the above group there was a general consensus that the investigation function should remain independent. It was determined in the international comparison that the U.K. and the U.S. both have independent investigation functions.

Dealing with the role of CASB members *vis-à-vis* the chairman, one sees that under the CASB legislation it should operate as does a private corporation's board of directors, with major decisions being taken by vote. Another view holds that the chairman is the chief executive officer with authorities conveyed by the CASB legislation and by collateral legislation, the Public Service Employment Act and the Financial Administration Act. The chairman can delegate some but not all the authorities conveyed to him under legislation. In summary, several of the CASB members see themselves as playing a role in guiding the investigations and studying policies to govern the selection of investigating staff.

The report found that there is a fundamental split within the CASB about the respective roles of the chairman and other board members and about the responsibilities and independence of the Director of Investigations. These divisions are so entrenched that if allowed to continue the Board's effectiveness could be seriously impaired.

• (1220)

In this regard some provisions of the CASB Act invite various interpretations. In part, this is because the wording of the Act does not distinguish between "Board" as a synonym for CASB and "Board" as a synonym for the CASB Board. This absence indicates the philosophy underlying the Act.

The more we examine these documents, the more we recognize the confusion that has existed within the Board. What has the Government done? In the wake of the Gander crash and many months later in the wake of the Dryden crash, it would appear that the Government has put them in suspended animation. It has appointed judges to handle an inquiry to see if an inquiry is needed in Gander and to head up the inquiry into the Dryden crash. But what about the inspection staff? Are they going to be the ones who are working for the judge in Toronto who is going to hold the hearings? Is it going to be the same group of people? Does that change the problem? Or is it that they only have one person to convince instead of a group of eight to ten?

Another thing is very clear, Madam Speaker. The night before the legislation was tabled in this House, I went back and compared the Bill that was tabled last year, which the Minister indicates is substantially the same as Bill C-2, the multi-modal Bill, to the Canadian Aviation Safety Act as passed in 1984. I compared the components dealing with the Board. Substantially, there is no change. There is the same level of confusion between the powers. It suggests that the Government intends to leave things as they are. The chairman and the Director of Investigations have the authority. The members of the Board, now limited to an additional four, are there not as aides to focus the investigation, but are there in part as bench-warmers to rubber-stamp the decisions made by the chair or made by the Director of Investigation.

So what the Government has not done, Madam Speaker, is, first, it hasn't learned the lessons of the Canadian Aviation Safety Board. It hasn't taken the time to rethink the legislation, listen to the comments of Justice Sopinka and to those of Hickling to bring forth some legislation that more accurately reflects—assuming that it wants to change it—the way in which the Board works and the way in which it relates to the Minister and to this House. It has not done so.

So I think the responsibility then is up to the Transport Committee of the House of Commons. This committee has historical involvement in this legislation in that it was the committee that dealt with the Canadian Aviation Safety Board prior to the establishment of legislative committees when it went through this House back in '83 and '84. There are people there who are knowledgeable about air, rail, road, marine service and to a lesser extent pipelines. We have staff available to us. I hope the Minister is prepared to allow us the freedom to pursue the opportunity we have in this House to take the principle of this Bill, which we all support and examine it. We recognize the need for a clean-up crew. We need

to find out what went wrong and to find ways of preventing a recurrence. It is a very noble cause.

Let us invite the members of the Aviation Safety Board to come in and talk to us about their experiences, about what they liked and did not like about the old legislation, how we can improve it. Let us have people who are involved in those sectors outside of aviation—rail, marine, pipelines—come in to tell us what they like and don't like about their past experiences. They are all operating under one form or another of an accident investigation board, whether it is under the Canada Shipping Act or the Railway Act, wherever the legislation falls. They have experience and know what works and what does not work. So let us invite them in.

Let us also contact our colleagues in other jurisdictions. Hickling surveyed at length the United States' and the United Kingdom's experience. I think we should meet with the agencies and the people in Washington who have developed their own system in the context of deregulation and who are learning from their mistakes as well. Then we can build a better Bill. We have to make sure that those who operate these planes, boats and trains, who maintain and operate the pipeline also have an opportunity to raise their concerns. I know they have concerns, Madam Speaker, as we have already been speaking to them.

We have to recognize also that we are dealing with different kinds of employee-employer relationships. It is a different kind of situation in aviation as opposed to railways. I think we have to recognize that we might have to treat different modes in a different way. Does it make sense to throw pipelines in with railroads? I am not sure. Maybe it is because there are not that many pipeline accidents, but I am sure my colleagues from B.C. will provide me with the information that there are more than I realize.

We have to make sure that the employee representatives have a chance to have their say. I know one of the things they are going to raise, particularly on the railroad side, is who gets on the Board. Under the current structure there are the Order in Council appointments, which really means that the Minister of Transport recommends from a list that comes out of nowhere. Someone suggested that it comes from Party lists somewhere else in the country, but we know it just comes out of nowhere. He makes recommendations and appointments are made. The experience on the rail side is that it tends to be old company hacks who have a bias towards the railroads, in favour of the railroads. So the workers are saying,"Hey, every time there is an accident, it is going to be employees who are responsible. It is not going to be the company." So we have to find a mechanism to make sure that the people who are placed on this Board are the appropriate ones for the job.

There is a way that we can do that. In the United States, they have a tradition of review by Congress of presidential appointments. In Canada we do not have that tradition. We did move a little closer to that in the last Parliament where, as a result of the review of parliamentary operations, we did have the opportunity to review after the fact any Order in Council appointments. They would automatically be referred to the Standing Committee on Transport, for example. But usually we would not get those until many months after those people were actually in place. First, they would be appointed. Then they would have to wait to be gazetted. It was only after being gazetted that it would come to us. I think in the case of a board that is charged with accident investigation, unlike boards that are charged with implementation of government policy or a government direction, whether it is a Conservative, Liberal or New Democratic Government, this is more of a non-partisan kind of committee.

• (1230)

I think it would be appropriate to develop a mechanism by which the Minister of Transport (Mr. Bouchard), for example, could seek nominations from all sectors. Perhaps he could even make a short list, providing CVs and describing their knowledgeability, and refer that to an all-Party committee of the House which would still have a government majority. We are dealing with the ultimate safety of people who travel and work in our transportation industry. They should have the opportunity to know that, at the very least, these are not back-room decisions and that those appointed to take charge of these very important matters have been scrutinized, not in terms of the fiascos in the United States, but in terms of the ability of these people to do the job.

The Transport Committee, during discussion of this Bill, has responsibility to look at that separation between the Transportation Accident Investigation Board and the Minister of Transport. One of the two reports to which I

referred earlier suggested that perhaps it should go through a Minister other than the Minister of Transport.

Another suggestion I would like to make is for a procedure, which I believe is done in other instances in the House, by which rather than reporting to the Minister the Transportation Accident Investigation Board becomes a body of the House and reports to the House through the normal procedures. The report is tabled in the House and referred to the Transport Committee and the Minister of Transport. The response of the Minister of Transport is tabled in the House, not made to the CASB, so that the people who have been elected by the citizens of this country can have an opportunity to judge both the appropriateness of the Investigation Board's findings and the response of the Minister. If necessary, it can go back to the Transport Committee for further review.

In some ways that deals with the kind of question raised by the Member for Miramichi (Mr. Dionne), and the Liberal Party's call for a public inquiry into Gander. Such an inquiry becomes a built-in mechanism. Rather than an opposition Party or an individual having to make such a demand, the process would already exist and be set in motion by whatever procedure must take place in the House.

We also have to look at the responsibility of the Minister of Transport to accept those recommendations or give good grounds for refusing them. One reason that is unacceptable for rejecting recommendations is that there is not enough money. The recent report regarding the lack of separation between two airplanes at Pearson International Airport clearly stated that one reason for that was the overwork of the air traffic controllers.

Obviously there are a number of short and long- term solutions to that problem, but once it is identified as a problem, and not simply an administrative one but one that could lead to a mid-air collision of two large aircraft, it must be dealt with.

We must find an appropriate mechanism, and clearly we have to do it through the Transport Committee where this legislation will be referred. We have to find a way to make the Minister of Transport, the railroads, airline companies, pipeline companies or shipping companies directly responsible for the implementation of those recommendations. It is an important issue for which we must find a solution. We cannot continue leaving it up to the whim of a Minister of Transport or the staff of the Department if we are to protect the travelling public and the people who work in the industry.

We must also deal with the area of separation of investigations. Transport Canada still conducts investigations. Only when the Canadian Aviation Safety Board wants to investigate a separation occurrence does Transport Canada step aside. Is it appropriate to allow Transport Canada to continue investigating matters over which it has direct control?

Transport Canada decides on the rules of operation for Pearson International Airport. It decided to cut back on the number of air traffic controllers entering into the system, even though it was warned that a crisis was developing.

Mr. Blenkarn: The Auditor General had something to do with it, too.

Mr. Angus: Should the Ministry of Transport have any further responsibility for accident investigations, or should it all be in the bailiwick of the new Transportation Accident Investigation Board?

Is it part of that perceived conflict of interest? It is true that the Auditor General referred to it, but with all due respect, the Auditor General is not necessarily always right.

Mr. Blenkarn: He ought to be called before the committee to explain why he made that reference.

Mr. Angus: That is probably something worth-while doing.

We will support this Bill in principle at second reading because we believe the principle is sound. We recognize that there is a limitation in the wording. We have some questions about the marine aspect, as well as some questions about the pipeline side and rail side. My colleagues will address those in debate and we will raise them particularly within the committee.

For example, one minor question that jumped out at me when I read the Bill as I was coming here today concerned the definition of commodity pipeline. For this Act, that definition includes everything but does not include a pipeline as defined in the National Energy Board Act. Does that mean the big ones? Does it mean the big ones are exempted? That is one question we have to ask because, if that is what it means, that part is not worth the paper it is written on.

There are a number of other questions that must be answered. For example, what about the ministerial planes? It is my understanding that they are under DND control and, according to this legislation, if there is an accident at a DND airport the military will investigate it, not the Transportation Accident Investigation Board.

What about the Snowbirds? It may suggest in the legislation that an accident with the Snowbirds at Thunder Bay or Pearson Airport would be investigated by the new Transportation Accident Investigation Board, but it is not clear. If they have an accident at a military base, the military clearly has jurisdiction. We must clear up those jurisdictional questions.

I want to read into the record the Hickling recommendations with regard to the proposed future multi-modal Board. They are worth considering and are a good basis for review by the Transport Committee. The report states:

> These recommendations are based on findings derived from an evaluation of CASB's first three years of operation. They are intended to provide guidance to those charged with framing the legislation, regulations, organization and processes that will govern the operation of the proposed new multimodal accident investigation/safety board intended to address aviation, rail, marine and commodity pipeline transportation.
>
> Since the lessons learned from CASB may not all be relevant to the design of the multimodal investigation board, these recommendations are presented in the form of a model.
>
> This model portrays a a proposed philosophy, some key provisions of the legislation and organization and a process that could apply to the multimodal board. Portraying these recommendations as a model is intended to emphasize that they are based solely on experience with aviation safety and some adaptation may be required to meet the requirements of the multimodal board. In what follows, various elements of the model are presented separately. Elements of the philosophy and process models should also be taken into account by those drafting the TAIB legislation.
>
> 3.2.1. Philosophy Model
>
> The ultimate goal of any safety board is to prevent future accidents. To facilitate achieving this goal, the occurrence investigation and report process comprises five elements: investigation, assigning cause, identifying safety deficiencies, adjudication and reporting.
>
> *To ensure credibility* for the findings and recommendations of the TAIB:
>
> - the process must afford an opportunity for all pertinent information to be considered;
>
> - the process must incorporate an adjudicatory function to assess the merits of contending viewpoints on occurrence investigations when such differences arise;
>
> - the results of the TAIB's activities must be made public;
>
> - the process must ensure that occurrences are thoroughly and professionally investigated; and
>
> - members of the board of the proposed TAIB should be selected on the basis of publicly-known criteria that would ensure that board has stature and respect within all parts of the transportation community.
>
> *To ensure objectivity:*
>
> - all the TAIB's constituent elements must be independent of the regulatory function, and seen to be independent;
>
> - the investigation and adjudicatory functions must operate independently of one another; and,
>
> - the process must allow responsibility for the causes of occurrences to be assigned unequivocally, without fear of adverse legal repercussions—
>
> *To ensure effectiveness:*
>
> - The process must operate in a timely manner; and,
>
> - the process must lead to likely (the possibility of) preventive action which would improve safety. The intent of this criterion is to ensure that no more occurrences are investigated than strictly necessary.

It goes on and on, but I realize that my time is now up. I look forward to the contributions of my colleagues on all sides of the House. All of us have the goal of developing an accident investigation board that not only works but works well.

• (1240)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, when Bill C-2 was introduced in the House about two weeks ago, it was the first time that I as a new Member had to deal with legislation in its initial form. I found that I would have a chance to interpret and work with this legislation in a way different from that which I did in my previous occupation. When Bill C-2 was read for the first time, I reviewed it thoroughly—

Mr. Blenkarn: Madam Speaker, I rise on a point of order. Is there not a period for questions and comments following the third speaker?

The Acting Speaker (Mrs. Champagne): Normally when the first three speakers are allowed 40 minutes, there are no question or observation periods following their speeches. The floor belongs to the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi).

Mr. Comuzzi: Thank you, Madam Speaker. I had the opportunity to review thoroughly Bill C-2. I then compared Bill C-2 with the legislation that died on the order paper, Bill C-142, to see what differences there were. I then compared Bill C-2 with the legislation that is currently in operation, the Canadian Aviation Safety Act, and attempted to analyse the differences between these two pieces of legislation with the intention of

seeing whether or not the new piece of legislation could be operative.

As I was going through this legislation, my thoughts returned to a time approximately 10 years ago when I was at the University of Windsor in the Faculty of Law. The professors in that faculty instilled in me an interest in statutory law, statutory interpretation and administrative law, and I thank them for that, particularly one of my favourite professors who is now the Dean of Law at McGill University. It is from that perspective that I will make my comments with respect to Bill C-2.

As I was preparing my comments, I found it interesting to read an article in the Saturday, April 15, edition of *The Ottawa Citizen* in which the Chairman of the Canadian Aviation Safety Board, commenting on his annual report, urged Parliament to quickly pass Bill C-2 so that the Canadian Aviation Safety Board will be abolished because the Board is divided. The present Board is made up of nine members appointed by the Governor in Council. As I have stated, I have reviewed the Canadian Aviation Safety Act and I see nothing in that legislation which states that all Board decisions must be unanimous.

In reviewing most Canadian dispute resolution bodies and particularly the appellate court system, I find that these panels usually sit with three, five or nine members. The reason for this is logical and reasonable. Decisions arrived at should be arrived at on the evidence presented and members of a decision-making body may interpret that evidence differently. When decisions are made by these bodies, they are majority decisions based on the evidence presented. If the dissenting members of a panel or bench feel strongly about the issue and want to express their opinions, they usually do so by writing a dissenting opinion and stating their reasons for doing so. This is much the same as what we have seen happen recently with the Canadian Aviation Safety Board with respect to a recent investigation. There was a division of thought between the members of the Board, and as a result, there were dissenting opinions.

I would hope that Parliament is not being asked to change this legislation simply because members of a Board, members appointed by the Government I may add, cannot agree on the cause of an aviation occurrence. As stated earlier, there is nothing in the legislation that which that decisions must be unanimous. I would think it would be suspicious and in fact highly improbable for all boards constituted by legislation to arrive at unanimous decisions. Perhaps such boards that do are the ones that we should be looking into.

If there is dissension on this Board as the chairman has stated, then when and if this legislation receives Royal Assent, when selecting the five-member body to replace the present Canadian Aviation Safety Board, the Board should forgo the usual affiliation appointment process. I would urge the appointment of only the most qualified people to ensure that the Bill we are considering today will be operative and functional.

To be more pragmatic, if the only reason for the legislation is that the Board is divided, there are quicker and more effective ways to deal with this problem than to change the legislation in its entirety. The article to which I referred earlier states that the federally appointed members are deeply divided on what constitutes their duties and their responsibilities. The present act is clear in its definition under the power-granting section with respect to the duties of the Board, the duties of its chairperson and the duties of its investigators. If there is a dispute as to the interpretation of the meaning of sections of the current legislation, that dispute can certainly be settled by an application to the Federal Court for clarification of the duties imposed by the statute on the chairperson, the Board and even the investigators. I find it extremely difficult to reconcile my thinking to that of the chairperson who states that the only solution to this problem is a fast review and quick implementation of Bill C-2.

Certainly, the solution to making legislation operative is in its application by various boards appointed for that express purpose. Boards that are appointed for that purpose cannot keep running to the House to change legislation because, in their judgment, the legislation that they are entrusted to operate is inoperative. Members of those boards must use other means. There are other dispute-resolution mechanisms within our society.

• (1250)

After legislation is passed and becomes operative, as time goes on it may require minor changes or fine tuning, or as social conditions and circumstances change, the legislation may require some changes. Those changes can be accomplished by a variety of means. Changes to legislation can be made by making amendments to the statute or by making further regulations for which all statutes provide in order that the legislation becomes more effective. The legislation can be changed by the practice of the boards, or in the most dire of

circumstances, we may have to consider changing the appointments to those boards.

As I stated earlier, members of those boards cannot keep running to Parliament to cancel one Act over another. Acts cannot be replaced with another because of the reasons stated, simply those reasons for the change in this legislation.

The article about the annual report states: "Only expedient passage of similar legislation will resolve this issue considering the depth of division". Can one imagine the floodgates of legislation that would be before the House if every administrative board was allowed to come before the House when it found itself in conflict or divided on an issue on which all board members could not agree?

The fundamental purpose of government agencies and boards is to follow the statutory powers given to them by the legislation, and to perform their duties within the framework of providing natural justice to those who are directly affected by the legislation. The tenets of natural justice do not only apply to those people who are directly affected by the legislation which is being discussed. The tenets of natural justice also apply to the manner in which board members come to their decision and follow the decision-making process.

Decision-makers are obligated to give reasons for their decisions. After hearing all the evidence, if a decision-maker cannot in good conscience agree with his or her colleagues, he or she is bound by the oath taken not to vote accordingly just for the sake of unanimity. The decision-maker must vote by his or her conscience on the strength and the weight of the evidence which has been accepted. It would be most imprudent for the House to consider this legislation if the only reason for its passage is the division of the Board. The floodgates would open and perhaps never close.

Another perceived difficulty with the present legislation is the Director of Investigations' exclusive authority to conduct probes and report to the Board. Some members on the Board interpret this section to mean that they have a responsibility to satisfy themselves about the work performance of the staff. Other members on the Board should feel that they have a right to actively participate in the day-to-day operations of the Board, including visiting the accident sites.

The sections in the Canadian Aviation Safety Board Act give the Board power to hire employees necessary to conduct the work of the Board. That includes the person referred to in Section 9 who is the Director of Investigations who has exclusive authority to direct the conduct of investigations. With respect, this is the only problem with the present legislation. It is not sufficient reason to request the passage of new legislation. It would be my hope that the purpose for introducing new legislation would be more substantive than the reason we have heard, that the Board is divisive. I invite our friends to inform us of the main reasons and purpose for the new legislation referred to as Bill C-2.

Perhaps one of the reasons for this new legislation is the multimodal requirement for an accident board to investigate all forms of transportation occurrences, not only aviation. I will return to that question later in my submission.

When one looks at the size of Canada and its climate, there are very few problems not affected by geography or climate, or both. In a country as large as Canada, transportation is more than the provision of services for travel by air, land or sea. A country like ours must develop a philosophy and a concept that meets the needs and expectations of all Canadians to develop a transportation system that is economical, efficient, and above all safe.

What is the intent of Bill C-2, an Act to establish the Transportation Accident Investigation Board? As the title states, the intent is to investigate accidents and occurrences that happen on land, sea, air, or on the pipelines.

I am advised that the fundamental function of the Board is to prevent transportation accidents or occurrences, and to investigate the reasons for accidents or occurrences. From the title of the Bill, it is submitted that not enough impetus is given to the fact that there is a dual role, one of prevention and one of investigation. Therefore, the name of the Bill should be changed to better reflect the purpose and the intent of the legislation.

We have also been advised that the intent of the legislation is to create a strong, independent board. In my understanding, an independent board means that it has no allegiance to any Ministry, group, or to any external body. Of necessity, an independent board must

make a total break with all forms of Government. It must be completely independent, and its only responsibility is to the Canadian people in dealing with those major issues of safety.

We all agree with the concept and the intention of independence. However, we cannot say one thing and do another. Bill C-2 states that a five-member board is to be established, or not more than a five-member board is to be established. That language is not precise and the Bill should be more specific as to the number of members who should sit on the board.

The Bill also states that a chairperson is to be selected from the five-member board. However, he or she is not elected by the other members of the board. He or she will be appointed by the Minister of Transport. If something happens to the chairperson the Minister appoints a successor, independent of any advice from the board.

As a preliminary observation, we would suggest that the Minister appoint the five-member board and let the board elect its own chairperson. The board will set out by regulation the term of office and the other vital functions that it feels the chairperson should accomplish while he or she sits as chairperson of that board.

Bill C-2 states what the duties of the chairperson should be. The chief executive officer of the board has exclusive responsibility for all personnel matters, all financial matters, all property matters, all internal management of the board, directing staff and the work of the staff, directing and apportioning the work of the staff, and directing and apportioning the work of the board members.

It has always been my understanding that all board members are equal and the chairperson is only the first among equals. Perhaps this is the most fundamental problem with the previous legislation and the proposed legislation before us.

The Acting Speaker (Mrs. Champagne): I will now interrupt the Hon. Member. There will four minutes left to his intervention when we return, followed by a period of questions and comments.

[*Translation*]

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

At 1.00 p.m. the House took recess.

S.O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*English*]

VIA RAIL

ALLEGED MISINFORMATION ON SERVICE IN ATLANTIC REGION

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, the irresponsible attempt of this Government, and especially of the Prime Minister (Mr. Mulroney), to cripple VIA rail through misinformation and double speak will have a devastating impact on the travelling population of this country. Nowhere will that impact create more hardship than in Atlantic Canada.

When will this Government stop using hysteria and misinformation and get on with the job of building a comfortable, efficient and affordable rail transportation service for the Canadian public? The time, Sir, is now.

* * *

[*Translation*]

CHILDREN

SAFETY OF CHILDREN

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, this is the National Child Safety Week in Canada. This year, based on the theme "Child Safety: A Shared Responsibility", we will particularly try to make Canadians more aware of a number of situations which present a danger to our kids.

Briefly, let me mention three ways to ensure the safety of our children. First of all, there is public awareness, then safety standards voluntarily enforced in the industry, and finally legislative measures.

Consumer and Corporate Affairs Canada is implementing various awareness programs not only for adults, but also for the children themselves. For example, thousands of children have learned to recognize warning symbols on dangerous products by watching a puppet show put on by the Department.

Mr. Speaker, with the support of all Members of this House, I am sure that our children will now feel more safe in their communities.

S.O. 31

[*English*]

CITIZENSHIP

CITIZENSHIP WEEK—MULTICULTURAL HERITAGE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, last week, in honour of Citizenship Week, I attended a citizenship court at Vancouver Technical School where 65 new Canadians from 28 countries were sworn in as citizens.

Judge Angela Kan spoke eloquently on the rights and responsibilities of citizenship. She explained the new Multiculturalism Act which allows people to retain their heritage and identity while becoming a part of mainstream Canada. She stressed the importance of learning English or French and urged new citizens to make new friends and participate in community affairs. She urged all of us to participate in human relations and education to counteract prejudice and misunderstanding.

I was reminded how blessed we are to live in a country with plentiful resources, a glorious environment and a rich mix of people. We have a high standard of health, education and social security. We enjoy a parliamentary democracy and our legal rights are protected.

I urge all Canadians during Citizenship Week to count our blessing and to reach out in friendship to those who chose to become Canadians.

* * *

CHARTER OF RIGHTS AND FREEDOMS

FOURTH ANNIVERSARY—OPPORTUNITIES FOR WOMEN

Ms. Barbara Greene (Don Valley North): Mr. Speaker, today is Equality Day, the fourth anniversary of the coming into effect of Section 15 of the Charter.

Equality Day reminds us of the important principles enshrined in our Constitution which guarantee all individuals equal access to the protection and benefits of the law without discrimination.

A measure of the fairness of our society is provided by the existence of these equality rights. A far more telling measure, however, is the extent of their application. Canadian women are acutely aware of the gap that still exists between equality in principle and equality in practice.

Since September 1984, our Government has worked with women to broaden their access to the kinds of opportunities essential to equality. Employment equity, the Federal Contractors Program, our efforts to open up training opportunities to women, our pension reforms and our recently announced intention to broaden and equalize maternity and parental benefits are proof positive of our Government's commitment to make equality real for Canadian women.

* * *

AGRICULTURE

GOVERNMENT SUPPORT FOR TOBACCO FARMERS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I follow up on what I said in this House on December 23. Tobacco farmers in Haldimand—Norfolk and throughout Canada are seeing major restructuring go on through and in their industry due to the Government's policies. During the election the Government committed itself to a $30 million program for Redux to support these farmers.

To date, these farmers have not seen a penny from this program. I urge the Deputy Prime Minister (Mr. Mazankowski) to obtain approval from Treasury Board for this program quickly and to assure producers that once applications are completed the cheques will be in the mail immediately.

Will the Deputy Prime Minister also take the leadership role in negotiations with the province to eliminate the prerequisite that producers have to sell 25 per cent of their quota to be eligible for the program? The livelihood of many producers has been affected by the Government's policies and many farmers were forced out prior to the present Redux program.

Will the Deputy Prime Minister also give his commitment that his Department will review these matters on a case-by-case basis and consider them for retroactive compensation as well?

The Government has delayed too long, Mr. Speaker. Now is the time to translate promises into action.

* * *

CHARTER OF RIGHTS AND FREEDOMS

LAW DAY—ACCESS TO JUSTICE

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I would like to draw to the attention of Hon. Members present that today is the seventh anniversary of the Charter of Rights and Freedoms coming into force. It has become a tradition on this day, April 17, to mark the occasion across Canada by commemorating the anniver-

sary as Law Day. This year's "access to justice" theme is one that I strongly endorse. It reflects the right of every Canadian to have equal access to information about the laws and the legal institutions of Canada.

Information activities have been organized across Canada by the Department of Justice, the Canadian Bar Association and other lawyers to make the law more accessible to all Canadians to expand their knowledge of their rights within Canada's justice system.

As Members of this House, we should offer our active encouragement to the Canadian Bar Association as well as the many community groups across Canada in their endeavours on Law Day. Please join me in extending best wishes to all involved for a successful Law Day 1989.

* * *

[*Translation*]

CHARTER OF RIGHTS AND FREEDOMS

FOURTH ANNIVERSARY

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, section 15 of the Canadian Charter of Rights and Freedoms was implemented four years ago today. That particular section guarantees each and every individual's right to equal protection and equal benefit under the law without discrimination. Because of that legal instrument, all Canadians, men and women alike, have access to a greater freedom and a vast number of opportunities.

[*English*]

Equality Day holds special significance for Canadian women who were among the most active and effective proponents of entrenching equality rights in our Constitution.

[*Translation*]

While we should not rest on our laurels, we can see that the House has a record number of female Members of Parliament, six of whom sit on the Cabinet. Today, women can be found in every field, every profession, every walk of life. I am proud to be part of a Government that actively supports women in their quest for equality in all walks of life.

S.O. 31

[*English*]

CHARTER OF RIGHTS AND FREEDOMS

SECTION 15—EQUALITY RIGHTS FOR WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, today Canadian women are celebrating the anniversary of Section 15 of the Canadian Charter of Rights and Freedoms coming into force. This clause guarantees equality to the women of Canada.

Canadian women depend on the women's Legal Education and Action Fund to use the Charter to promote women's equality. We also need equal access to education and jobs, child care and pay equity. For those programs we need a Government truly committed to women's rights.

How is the Conservative Government celebrating this anniversary? It is funding a gathering of REAL Women, a group opposed to the inclusion of women's rights in the Charter and dedicated to turning back the clock. This action shows us what the Government really thinks of the Constitution and of women's equality.

* * *

• (1410)

AGRICULTURE

CROP INSURANCE PROGRAM—CALL FOR REVISION

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, many farmers in the Essex—Kent area are concerned about the poor handling of the drought relief program. This program omitted townships which should have received relief. This was due to a lack of adequate information. As a result many farmers remain uncertain about the relief they will receive. An appeal process was promised, but to date no process has been established.

Farmers throughout Canada, the Ontario Federation of Agriculture and many rural groups have requested alterations to the crop insurance program. This program is inadequate.

The federal Government through the introduction of a drought relief program has admitted crop insurance is inadequate. Therefore I call upon the Government to work immediately with the provinces to revise the crop insurance program so that it will be adequate for the farmers of Canada, thus eliminating the need for poorly organized measures such as drought relief which has

only been a band-aid approach to the real problem farmers face.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

GOVERNMENT'S ROLE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, despite our government's many initiatives over the past few years to improve our environment, a SORECOM poll published yesterday shows that less than a third of the people in Québec believe their governments' contention that say they give as much importance to the environment as to economic growth.

For 92 percent of Québecers, the environment should get the same priority as the economy. Québecers are most concerned about acid rain and air pollution.

The people of Québec want effective clean-up programs and tough laws with drastic penalties for polluters.

Mr. Speaker, our government has provided unprecedented leadership in this field both at home and abroad. Consequently, I have no doubt that in the months and years to come the requirements of the people of Québec will be adequatly met.

* * *

[*English*]

CHILDREN

SPONSORING OF WORLD SUMMIT BY CANADA URGED

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the United Nations Children's Fund is anxiously waiting for the Canadian Government to sponsor a special conference on the dark future of the world's children.

Through the development of low-cost health measures such as immunization and oral rehydration therapy, the annual death of children has dropped from 25 million in 1950 to 14 million in 1988. However, the debt burden has forced Third World Governments to cut health budgets by 50 per cent. It is the children who will pay the price. For lack of a 50 cent vaccine, millions of children will die. Without rehydration therapy another 2.5 million will die.

The Minister for External Relations (Mrs. Landry) fully endorsed the Prime Minister's statement that alleviating poverty must be given a new priority on national and international agendas.

I urge the Government to live up to its commitment to help the world's poorest countries and people by sponsoring a summit for children where developing and developed nations can address the problems of the world's children living in poverty, including those in Canada. Canada could help save millions of children by sponsoring a world summit.

* * *

TAXATION

INCOME TAX FORMS—CALL FOR SIMPLIFICATION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, in Canadian homes across this land these days there is no joy. There is no laughter. There are no light hearts. Rather, the lights burn late into the night for stretched out on the kitchen tables of the country the new 62-page simplified income tax guide plagues, torments and mystifies the average Canadian.

The Minister of Finance (Mr. Wilson) promised Canadians that his new tax reform would make the tax system simpler for all. But it is not simple, it is much more difficult.

In the last reported tax year over one-quarter of Canadians made mistakes in filling out their tax returns. That was before tax reform.

Accountants and tax professionals are thanking the Finance Minister for the favour. Their business is booming. Now not only do Canadians have to pay taxes, they have to pay to pay taxes.

We are calling for the Government to keep its promise. What we have seen in this year's tax form is yet another broken promise by a Government that has a long track record of broken promises.

I call on the Minister to undertake immediately to devise a truly simplified form. I suggest that those ordinary Canadians who are now carrying the largest tax burden be consulted during this process.

* * *

STATUS OF WOMEN

EQUALITY RIGHTS—GOVERNMENT'S COMMITMENT

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I also would like to draw to the attention of the House the fact that today is Equality Day. It is an occasion to celebrate the equality rights of all residents of Canada. In particular it gives us the opportunity to review the progress made in a practical sense by the women of Canada.

Canadian women played an important part in securing the equality rights for all of us here today. Women now represent 43 per cent of Canada's labour force. They comprise almost one-quarter of our country's business owners.

Some 55 per cent of the undergraduate enrolment at Canada's universities is made up of women.

By coincidence today was the day of the swearing in of the new Supreme Court of Canada justice from British Columbia, Justice Beverley McLachlin.

Women's status in Canadian society is continuing to expand and evolve. Our Government remains committed to encouraging and promoting the remarkable potential of Canadian women.

ORAL QUESTIONS

[*Translation*]

UENMPLOYMENT INSURANCE

BENEFITS FOR OLDER WOMEN—GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. On this day which is dedicated to equality rights, could the Minister explain to the House why she has cut benefits paid to older women in our country? Will the Minister confirm, for instance, that today, based on her figures, 30,000 women over the age of 55 receive unemployment insurance benefits? And could the Minister explain why those 30,000 women, who have worked all their lives and now have to live on unemployment insurance, will lose part of their benefits to pay for re-training younger Canadians?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has clearly missed the fact that one of the things that we are doing within the new program is extending benefits to older workers through programs for older workers. There will be an extra $50 million for older workers. It is a very important component of the program. It will include older women as well as older men. It is a group in which I have taken some particular interest in the past. I am sure the Hon. Member will support that initiative.

Mr. Turner (Vancouver Quadra): Mr. Speaker, let it be noted that the Minister does not want to explain why 30,000 women in the country over 55 years of age will be having their benefits cut to pay for retraining for younger people.

TRAINING PROGRAMS—CUTS IN BENEFITS FOR OLDER WOMEN

Right Hon John N. Turner (Leader of the Opposition): Perhaps the Minister would like to explain why 78,000 women over the age of 45—and again I am using her own statistics—are having their benefits cut to pay for the retraining of workers half their age. Does the Minister not realize that there are now 122,000 women currently receiving unemployment insurance who previously worked in low-paying clerical jobs? That is to say five times as many women as men are employed in these jobs. Why should women formerly in low-paying jobs and now receiving unemployment insurance be forced to pay for the retraining of the Canadian workforce?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, women are not only participants in this program but contributors to our economy, something which the Government fully recognizes and has done so in a variety of ways. We have instituted the contractors' program, employment equity, and other programs which the Government has put in place to benefit people who were disadvantaged, particularly women. They are important initiatives of the Government. But women of all ages under this program will benefit from the new measures that we are taking.

The women of Canada are best served if we can help them get out of some of those traditional occupations into better occupations. That is what this is all about. I think that the Hon. Member should help Canadian women and support them in their efforts as this Government is doing.

• (1420)

Mr. Turner (Vancouver Quadra): I am relying on the Minister's own statistics to put questions, neither of which she has answered, but one more time, Mr. Speaker.

UNEMPLOYED 55-YEAR OLD WOMEN

Right Hon. John N. Turner (Leader of the Opposition): An unemployed 55 year-old woman, according to her figures, is caught on the unemployment insurance rolls for an average of 25 weeks. That is two and one-half times longer for instance than an unemployed male of, say, 20 years old.

Now the Minister says that the rationale behind her program is that she wants to force an attitudinal change—whatever those words really mean—on our unemployed. What attitudinal problem does the Minister think that these women have that forces them on to unemployment insurance? Does she think that a 55 year-old unemployed woman is twice as lazy as a 20 year-old male? Is that what she is trying to tell us?

Hon. Barbara McDougall (Minister of Employment and Immigration): The Hon. Member, Mr. Speaker, is going out of his way to twist the facts as far as women under this program are concerned. We are doubling the money for training.

We have a program for older workers, and people on this program of every age, of both genders are going to be in a position to benefit from this program.

The average usage by women of this program is still below the maximum number of weeks that will be available to them. During that time they will have access to programs to upgrade themselves, older workers as well as younger workers, that they have not had before and that when Members opposite were in office, they did not bring into place.

* * *

EMPLOYMENT EQUITY

HIRING OF WOMEN—FEDERAL CONTRACTORS PROGRAM

Ms. Mary Clancy (Halifax): My question, Mr. Speaker, on this Equality Day is for the Minister responsible for the Status of Women. In 1984 the Government promised Canadian women both employment equity legislation and contract compliance in those areas of the private sector under federal government influence. Nearly five years later Canadian women are still waiting for meaningful government action on contract compliance. Can the Minister tell us why we must wait and when this waiting will end?

Hon. Barbara McDougall (Minister of Employment and Immigration): I think, Mr. Speaker, that it is important for the Hon. Member to know that it was this Government and not that Party when it was in office that brought in employment equity legislation.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I think that it is important that she know that it was this Government and not those people when they were in office that brought in the Federal Contractors Program. The Federal Contractors Program, which is administered by my colleague, the Minister of State, has been working very well. There have been companies that have lost their rights under contracts because they have not had the appropriate plan. We will continue to ensure, Mr. Speaker, that both the contractors program and the equity program move women forward in this country.

* * *

STATUS OF WOMEN

FUNDING OF REAL WOMEN ORGANIZATION

Ms. Mary Clancy (Halifax): The Minister parades one or two examples of government action when thousands of reports come in yearly to show women deserve a little more than this from their Government.

Some Hon. Members: Hear, hear!

Ms. Clancy: My supplementary question, Mr. Speaker, is in the same area, but it is for the Secretary of State. I have received hundreds of letters from Canadian women protesting the recent funding to REAL Women.

When is the Minister going to review this decision? Will he stand up in the House today and announce that this funding will be rescinded, and that instead it will go towards the funding of those womens' groups who truly work for equality for women?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): This project, Mr. Speaker, was funded under the criteria of the womens' program.

Ms. Copps: No way.

Mr. Weiner: It was recommended by the people who have been examining and working with the program for years. We will continue to look with favour on any project that meets the criteria of programs.

Some Hon. Members: Hear, hear!

Ms. Clancy: Read the criteria.

THE ECONOMY

SIZE OF DEFICIT—AMOUNT SPENT OF TAX EXPENDITURES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Minister of Finance. This Government and its corporate friends have spent a lot of money in the last few weeks trying to whip Canadians into a frenzy, indeed into hysteria, over the size of the deficit in an effort to justify program cut-backs and tax increases.

Mr. Speaker, while all Canadians are concerned about the size of the deficit—

Some Hon. Members: Oh, oh!

An Hon. Member: Are you in a frenzy?

Mr. Riis: Contrary to the myths that this Government has been spreading, the deficit has not been caused by federal spending programs. I cite a study released by the Canadian Tax Foundation of 1988 which says:

> Reductions in revenues rather than—increases in expenditures—largely accounted for the deficit's increases.

Mr. Speaker, in the interest of fairness, would it not be more appropriate for the Government to focus on the $30 billion that it gives out in tax expenditures rather than scapegoating spending programs for Canada's families and regions?

Hon. Michael Wilson (Minister of Finance): Well, Mr. Speaker, I am pleased that the Hon. Member has finally acknowledged that the debt and the deficit clearly are problems. This is not the result of major efforts on the part of the Government to generate this interest. It has happened because we do have a serious problem. I would hope that the Hon. Member would bear that in mind at the time we bring down the Budget in a week and a half.

The Hon. Member has talked about a number of tax expenditures. If he has some tax expenditures that he would like to have eliminated, possibly he could let me know what they are.

During the course of the last four years we have eliminated a very large number of tax expenditures, tax breaks, what he and his Party had referred to as tax loopholes, and more than any other previous Government in Canadian history.

EFFECT OF INTEREST RATE INCREASES

Mr. Nelson A. Riis (Kamloops): The Minister of Finance does not have to wait. If he wants to really convey to people that he is carrying out real tax reform and tax fairness then he should consider implementing a minimum corporate tax so that the 60,000 large profitable corporations that do not pay a single penny start paying their fair share.

An Hon. Member: The Americans have got that one.

Mr. Riis: That same Tax Foundation study said that the other major cause of deficit growth is high interest rates.

The Minister of Finance knows that for every 1 per cent increase in interest rates, the deficit will increase by $1.5 billion, which this year could add $30 to $35 billion to the deficit.

Mr. Speaker, can the Minister justify cutting valuable programs that benefit families and regions when the increase in the deficit in 1989 will be caused exclusively by a high interest rate policy that has been condemned by the 10 provincial Premiers, has been condemned by the bishops, by the New Democratic Party and many others?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have to agree in part with what the Hon. Member has said. Spending has been very tightly controlled by this Government. That has been the record that we have demonstrated over the course of the past four years. But yes, there has been a problem with interest rates going up in the last year. That has been the case in Canada as it has been the case in the United States, the United Kingdom and other countries in the world.

The solution to that problem is not the facile solution that the Hon. Member suggests from time to time, that we should just snap our fingers and say that interest rates could go down.

An Hon. Member: Let the market set the interest rates!

Mr. Wilson (Etobicoke Centre): The Hon. Member from Saskatchewan says let the market set the interest rate. If we allow the facile approach of the Member for Kamloops, which is to get interest rates down by the snap of a finger, that would involve printing more money, and printing money at a time when last Friday we saw that the inflation rate has been up at 4.6 per cent for the last two months. It has been up over 5 per cent if you take away the more volatile limits of food and energy. Printing money is just going to make that problem far more difficult and far more serious. It will get us back to

the problem that we were in in 1981 and 1982. That is something that this Government is determined to avoid.

Some Hon. Members: Hear, hear!

CANADIAN MANUFACTURERS' ASSOCIATION—CHAIRMAN'S LETTER—DEFICIT REDUCTION AND FREE TRADE

Mr. Nelson A. Riis (Kamloops): We all recognize that the Minister of Finance is keen to harmonize Canadian programs with American programs. May I suggest that one of the programs he might want to harmonize is Canadian interest rate policy with American interest policy, and to drop it 2 percentage points as a result.

Mr. Speaker, my third and final question is this. Having avoided two primary causes of our deficit growth when the Minister said he is not prepared to deal with either of them, it encourages one to become somewhat suspicious that perhaps this whole deficit propaganda program is intended to do something else.

I want to quote from a letter written on February 27, 1989, to the Minister by the President of the Canadian Manufacturers' Association which links deficit reduction and free trade. Mr. Speaker, Mr. Thibeault says that failure to cut the deficit:

> Undermines our ability to make the transition to free trade.

• (1430)

Is it not time that the Minister came clean with Canadians and said that the reason they are creating this hysteria about the deficit has nothing to do with reducing the deficit but it is stage 2, if you like, of the Free Trade Agreement which is designed to cut programs to families and cut programs to the regions of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member says that I am not prepared to deal with the interest rate problem. I am prepared to deal with the interest rate problem, but in a way that will get interest rates down on a permanent basis, rather than for a very short time, only to find them move right up higher than they are today and on a much more permanent basis as a result of the policies the Hon. Member suggests we follow. That is the type of policy we are determined to avoid.

The Hon. Member says that our desire to get the deficit down is linked to free trade. That is absolutely nonsense. There is a serious problem which the Hon. Member acknowledged in his first question. He and many other Canadians are concerned about the deficit, not because of free trade but because of the high debt which is causing the problem we are facing in the upcoming Budget—high interest cost because we have a high debt. We must get that debt under control.

If we can get that debt under control then we can get a much healthier economy here. That is what he and many others want. I look forward to his support on April 27.

* * *

UNEMPLOYMENT INSURANCE

CHANGES TO SYSTEM—EFFECT ON RURAL AREAS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns her unemployment insurance cut-backs which will have devastating effects on rural Canada.

Is the Minister aware that rural areas of this country which have high unemployment rates, ranging anywhere from 12 per cent to 18 per cent, will now be subject to the same cut-backs affecting neighbouring urban areas which, in many cases, have unemployment rates ranging between 5 per cent and 8 per cent?

Does she believe that someone in a high unemployment area in my constituency should be treated the same as someone in Ottawa?

Does she think that the people of Newfoundland living in rural areas should be penalized unduly by her Government? If not, is she at least willing to reapportion the maps and areas in order to ensure that rural residents are not penalized the way they will be under her system?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as usual, the Hon. Member is about five steps behind.

Last fall the Minister of State announced that we would be revising the boundaries for unemployment insurance and that they will recognize regional differences. That is something the former Government did not do. That will be introduced as soon as possible so there will be more equitable treatment of claimants in regions with different unemployment levels.

EFFECT OF CHANGES ON NEWFOUNDLAND

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Minister for International Trade my supplementary question is directed to the Minister of Employment and Immigration.

I have a press release from her colleague, the Minister for International Trade, dated April 11. It says in part that in 1990, $830 million will be provided in direct UI income for the people of Newfoundland. It goes on to say that if the Labour Force Development Strategy would not have been in place, that amount would have been $860 million at that time, which means a cut-back of $30 million.

Will the Minister explain to the House why her colleague was saying it was complete nonsense that there would be cut-backs in unemployment insurance during the last election campaign? Is it not obvious that the people of Newfoundland were not told the truth?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, under this program there will be $15 million more going into Newfoundland next year than there would have been otherwise. We also have the Canadian Jobs Strategy that focuses on Newfoundland communities through Community Futures. There is more funding going into Newfoundland, not less. If the Hon. Member would like to go through all the figures with me, I would be happy to do it later.

* * *

AIR SAFETY

PEARSON INTERNATIONAL AIRPORT—EFFECT OF RECENT GOVERNMENT MEASURES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Transport. The provisions implemented on April 7 by the Minister have created further safety problems at Pearson. These measures have saturated air space east of Pearson, forced en route controllers to stack airplanes as far back as Coe Hill, 95 miles from Pearson, and created havoc for controllers due to the reduction in flights from 42 to 32 per hour.

Moreover, en route controllers to date have not received any sort of briefing on these measures.

Is the Minister aware of these unsafe conditions that these two measures he implemented last week are causing? What does he intend to do immediately to correct them?

Hon. Benoit Bouchard (Minister of Transport): Mr. Speaker, my hon. friend will recall that those measures were proposed by the Canadian Aviation Safety Board after the near-miss in Toronto last November. I think he will also admit that we have talked about safety in the Canadian skies for the last two or three weeks, perhaps longer. I hope he is not telling me today that because there are more delays in Toronto we should decrease safety in Canadian skies.

TESTING OF MEASURES PRIOR TO IMPLEMENTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the rigidity of these interim measures almost caused a mid-air collision last week.

Why were these measures not tested on simulators in Hull before being implemented, as is the common and safe practice? When will the Minister stop using Canadian air passengers and Canadian airlines as guinea pigs and take appropriate action to ensure the safety of Canadian airlines?

Hon. Benoit Bouchard (Minister of Transport): Mr. Speaker, we are used to the contradictory messages from that side of the House. I repeat that the day after it was recommended by the Canadian Aviation Safety Board we put forward new rules to improve safety over Toronto Pearson Airport and the surrounding area. We did it immediately afterwards.

Of course, it is absolutely normal that at the beginning it could create some problems for the controllers. But I believe, and I am sure he shares that concern with me, that what we did was necessary for Canadian air safety. Otherwise, I would like him to tell me whether it is better to neglect air safety to improve the delays? Is that what he means?

* * *

CHARTER OF RIGHTS

FEDERAL COURT CHALLENGES PROGRAM

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Secretary of State. On March 31, next year, funding for the Federal Court Challenges Program will run out. Today, on Equality Day, a broad national coalition of respected human rights groups have

joined in calling upon the Government to continue and expand this program which is so important to ensure that the Charter is accessible to the disadvantaged and not just to the privileged. Will the Minister assure the House and all Canadians that expenses for cases which go beyond March, 1990, will in fact be covered and this vital program will be continued and hopefully expanded beyond that date?

Hon. Gerry Weiner (Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the current agreement does not end until March 1990. It will be important for us to have a look at it sometime during this forthcoming year, the fourth year, to review the efficiency and effectiveness of the program. We will be doing that.

Mr. Robinson: Mr. Speaker, that leaves the uncertainty. Certainly a Government that is committed to true equality would fund Court Challenges and not fund REAL Women, which is a denial of equality.

HUMAN RIGHTS

AMENDMENT OF CANADIAN HUMAN RIGHTS ACT—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is directed to the Minister of Justice. In view of the fact that the Government promised over three years ago to amend the Canadian Human Rights Act in the area of reasonable accommodation, equal pay for women, and adding sexual orientation to the Act, I want to ask the Minister on this Equality Day if the Government remains committed to these important amendments to the Canadian Human Rights Act? If so, when will the Government finally act to ensure equality for all Canadians? Why was the Speech from the Throne silent on this fundamental question of equality?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I point out to my hon. friend that recently we had a further report from the Human Rights Commission, with several suggestions.

All of the matters to which my hon. friend referred are under active consideration by the Government.

• (1440)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SUPREME COURT OF CANADA JUSTICE, MADAM BEVERLEY MCLACHLIN

Mr. Speaker: I wish to bring to Hon. Members' attention the presence in the gallery of Madam Justice Beverley McLachlin of the Supreme Court of Canada.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MEXICAN CHAMBER OF DEPUTIES STANDING COMMITTEE CHAIRMAN

Mr. Speaker: I also wish to bring to Hon. Members' attention the presence in the gallery of the Hon. Guillermo Jimenez Morales, Chairman of the Standing Committee of the Mexican Chamber of Deputies.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF ATTORNEY GENERAL OF BRITISH COLUMBIA

Mr. Speaker: I also wish to draw to Hon. Members' attention the presence in the gallery of the Hon. Bud Smith, Attorney General of British Columbia.

Some Hon. Members: Hear, hear!

* * *

ENERGY

CANADIAN EXPLORATION INCENTIVE PROGRAM

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The difficulties being experienced by small producers and the service sector in the oil and gas industry are putting in jeopardy thousands of jobs in western Canada. Capital is hard to secure, the major companies are reducing capital expenditures, yet the Canadian Exploration Incentive Program is of little use because of the retroactive nature of the exploration definition clause.

The Minister told the small producers and the service industry in Calgary that he would not be extending the Canadian Exploration Development Incentive Program. Why is the Government abandoning the small producers and the service industry at a time when planned exploration is minimal?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Government came in with the CEDIP when oil prices were considerably lower than they are now to meet the requirements of that period of time.

It was the Government's position that we should move as quickly as we could to a market-based economy in the oil and gas industry. I went to Calgary and said directly to the industry, including the juniors, that that would be the Government's position. I said that in Calgary and I repeated it in the House of Commons. The Hon. Member's question is correct. Yes, we are cutting out CEDIP.

SITUATION OF SMALL PRODUCERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, was it the Minister's intention to abandon the small producers and the service industry? Was it the intention of the Minister of Finance to mess up CEDIP completely?

Ninety per cent of the applicants have received less than 20 per cent of the funds. How can that be when the Government wants to help the small producers and the service industry? Instead of cancelling the program, why does the Government not reduce the ceiling from $10 million to $1 million, thereby servicing 90 per cent of the applicants and saving 65 per cent of the funds?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Government's decision on CEDIP is final. The Government did bring in CEDIP. I think the Hon. Member should know that—

Mrs. Campbell (South West Nova): It's the Americans.

Mr. Gauthier: Big money, big oil.

Mr. Epp: That is the best speech you ever made. Too bad nobody else heard it.

I am telling the Hon. Member that CEIP is now in place. It is being tested on the money markets. It has had a slow start. I believe sincerely that with the promotion of CEIP and aspects of the flow-through, it can work. I think the Hon. Member has to realize that we have moved toward a program which gives the Government better control over the finances rather than having a demand-driven program which CEDIP was.

[*Translation*]

IMMIGRATION

REQUEST FOR REFUGEE STATUS—APPEAL PROCESS—REQUEST FOR CONFIDENTIALITY OF FILES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and concerns the refugee process.

A lawyer in Montreal called me about a Romanian claimant who was denied refugee status and who wants to appeal to the Federal Court.

Since under our legal system, his complaints and his criticism of the regime in Romania, which has the worst human rights record in Europe, would be public information and thus accessible to Romanian officials, will the Minister change the appeal procedure so as to guarantee the privacy of individuals and avoid subjecting these people to possibly fatal retaliation on the part of the regime concerned? This is a very serious problem which has many implications for everyone in the refugee's riding.

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for his question. I am aware of this situation. It is something we are looking into.

Pending the appeal procedure, there is not much I can comment on, but I do want to assure the Hon. Member that we are very sensitive to the situation both in Canada and in that particular case.

REQUEST FOR AMENDMENT OF APPEAL PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, I think the Minister can comment. This Montreal case does represent other cases. The claimant in Montreal is thinking about appealing his refugee board decision to the Federal Court. If he does, the entire dossier of evidence against the regime, evidence which he deposited with Canadian officials, will become public because of our court system.

Is the Minister prepared to consider amending the refugee appeal system that her Government designed so that any claimant who goes to an appeal before the courts will not have his or her evidence publicly dragged out and therefore possibly utilized against him or her in retaliation by any regime to which the applicant is forced to return, particularly Communist bloc countries? This is

a serious question with very serious life or death implications.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, I am sure that the Hon. Member is aware that courts can hold hearings *in camera*. They do have that ability. As I said to the Hon. Member, at the moment I am investigating this situation among others.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

WITHDRAWAL OF GOVERNMENT FROM FINANCING OF PROGRAM

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister of Employment and Immigration said that news that the Government was going to stop financing the Unemployment Insurance Program was pure speculation.

In that case, could the Government give the House the assurance that it intends to continue paying the cost of extended benefits based on regional unemployment rates?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, any questions that refer to the funding of the Unemployment Insurance Program will have to await the Budget. I have said that before. I am sure the Hon.

Member can wait that long. In the meantime, there is a plan in terms of where regional funds will be spent or at least in terms of what the regional benefits will be because they will go to the high unemployment regions. That is clear from the policy paper, and I would suggest that the Hon. Member read it.

REGIONALLY EXTENDED BENEFITS—GOVERNMENT FUNDING

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I suggest that the arrogance of the Minister suggesting that her critics have not read the document is simply a reflection on herself, not on us.

Some Hon. Members: Order.

Mr. Langdon: I would like to ask the Minister—

Mr. Speaker: Perhaps the Hon. Member can put the question.

Mr. Langdon: I would like to ask the Minister as clearly as I can, since these regionally extended benefits are in fact part of the present legislation and since she has brought in a White Paper showing that she intends to change that legislation, will she clearly tell Canada whether the Government is committed to continuing to pay for regionally extended benefits, yes or no.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I can confirm for the Hon. Member that there will be benefits to every region of Canada, particularly the high unemployment regions for which he expresses so much concern. In terms of some of the regions of considerable benefit, we have taken out the penalty for the repeater provision. I am sure the Hon. Member is aware of that. The other benefits for training and upgrading will be there for all regions of Canada.

* * *

• (1450)

[*Translation*]

FORESTRY

EXPIRATION OF FEDERAL-PROVINCIAL DEVELOPMMENT AGREEMENTS—GOVERNMENT POSITION

Mr. Guy H. Arsenault (Restigouche): Mr. Speaker, my question is directed to the Minister of State (Forestry). Could the Minister explain why his Government has allowed Forest Resources Development Agreements, in the six provinces where those agreements had expired as of March 31, 1989, to elapse without taking steps to renegotiate them?

[*English*]

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps I should thank the Hon. Member for endorsing the success that has been achieved as a result of the Forest Resources Development Agreements.

Mrs. Campbell (South West Nova): He didn't. He asked why are you letting them go?

Mr. Oberle: The Hon. Member would also agree that a new generation of such agreements and co-operative measures should include new principles that the public and others are demanding. Discussions are under way with the provinces, and the new agreements will also have to conform with the new budgetary disciplines.

The Hon. Member will soon learn what the new agreements will look like.

FUTURE OF AGREEMENTS—GOVERNMENT POLICY

Mr. Guy H. Arseneault (Restigouche): My supplementary question is the following. My teacher background compels me to rate the answer at a fat zero, the same as the Throne Speech.

Some Hon. Members: Hear, hear!

Mr. Arseneault: In a paper on forestry co-authored by the Minister he stated that relations between the federal and provincial Governments need to be improved. Furthermore, renegotiating new forestry agreements with all provinces had to be a main federal initiative.

Will the Government's policy in the future be to allow regional agreements, such as the FRDA, to elapse before it attempts to renegotiate them? If and when the agreements are renegotiated, will they be retroactive to the date on which they elapsed?

There is your question. Answer it!

Hon. Frank Oberle (Minister of State (Forestry)): You would agree, Mr. Speaker, that our colleague who is a teacher will have a lot to learn in this place.

I have told my hon. friend that discussions are under way. There is nothing to stop the provinces that have received revenues that came from the export tax to start without us, and we will be behind them strongly with a very firm commitment to our forest resources.

* * *

[*Translation*]

BANKS AND BANKING

DOUBLING OF CHARGES RELATING TO NSF CHEQUES—GOVERNMENT POSITION

Mr. Alfonso Gafgliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of State (Finance). Last fall, before the election, the Government had started negotiations with the banks to settle the whole issue of double charging for cheques without sufficient funds. Now, after the election, the Government has abandoned small business and supports the banks. Can the Minister seriously claim that a double charge is necessary? Should the person who receives those cheques be penalized as well as the person who writes them? Where is the justice in all this?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I may remind the Hon. Member that it was the banks who voluntarily agreed not to impose charges on personal accounts. They have not done so in the case of small business, and that may be regrettable, but I believe that small business may start another campaign to change this. In the legislation I had the privilege of introducing in this House, we have made considerable progress on the access to information on these charges. We included small business in the Bill in fact,it is very well covered and I believe that both consumers and business will be pleased with a bill of which we are very proud.

[*English*]

PAYMENT OF PENALTIES

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my supplementary question is to the Minister of State for Small Businesses to see if I can find a member of the Government who understands small business.

The Minister of State for Small Businesses should stand up today and defend small business. How can he accept that his colleague in the Cabinet introduced legislation that was the same as that introduced in the fall? It does not address the problem of a cheque deposited at a bank to a person who has no funds, and who has to pay a penalty in the same amount as the person who issued the cheque with no funds. Should it not be the person who issued the cheque with no funds who is penalized?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member just asked the same question, so I will have to give him the same answer.

Considerable progress has been made with respect to the treatment of disclosure of banking charges. I hope that what we have done with the banks—and the results are already visible—will also be taken up by the other institutions, and I believe this is an important step forward. Once again, this is a very important step which benefits both small business and consumers.

* * *

[*English*]

TAX REFORM

NORTHERN TAX BENEFITS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. The Minister knows that he has cut off many northern communities from the full benefit of the Northern Benefits Program. How can the Minister cut off this deduction from people in communities in northern B.C., northern Alberta, and

northern Manitoba, before his own task force on northern tax benefits has reported to the Minister?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what is happening now is simply following through on what was proposed at the time that the announcement was made, which I believe was almost exactly one year ago.

TASK FORCE REPORT

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister knows that as people fill in their tax forms this month, hundreds of communities across northern Canada are suffering because he has not waited for that report to be made.

This morning I presented a petition signed by over 5,000 residents of my riding which stated that that is not fair.

Why would the Minister not wait for that task force, which travelled the country, to report, before he denied thousands and thousands of Canadians that benefit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member goes back to the situation as it was in 1984 when we came into office, my recollection is that there was a very limited northern benefit. It was only provided to certain people who lived in northern and isolated regions of the country. We expanded that quite considerably. We found there were some difficulties as a result of the broad expansion that we made in that benefit. It was for that reason that we asked the task force to study the program and come back with certain recommendations.

However, at the time that that was done, we acknowledged that there was some inequity there. We said we would put in place some adjustments to address that inequity. At the same time we said that we were going to phase those out over a period of time. That is continuing.

* * *

ENVIRONMENTAL AFFAIRS

ROUGE VALLEY – PROTECTION AS WILDLIFE RESERVE

Mr. Bill Attewell (Markham): Mr. Speaker, my question is for the Minister of the Environment. Yesterday I accompanied the Minister on an extensive tour of the beautiful Rouge Valley system which has its source in the Markham and Whitchurch–Stouffville areas of my riding.

Will the Minister confirm that he is committed to protecting this rare wildlife preserve by helping to have it designated as a provincial park?

Will he use his influence with the provincial Government to stop renewed efforts to create a garbage dump on the site and to build a major north–south, six to eight–lane expressway, which would run right through the middle of the park?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I confirm that the Hon. Member and I were together in the Rouge Valley yesterday. It was an occasion for us to renew and confirm the Government's commitment to the protection of the Rouge Valley. If the Ontario Government decides to protect the area there will be $10 million from the federal Government for it.

* * *

• (1500)

CRIMINAL CODE

VIDEO CASSETTES – OBSCENE MATERIAL – REQUEST FOR AMENDMENT

Mr. Girve Fretz (Erie): Mr. Speaker, I would like to work together with the Minister of Justice.

Some Hon. Members: Oh, oh!

Mr. Fretz: On March 27 charges of distributing obscene material were dropped against two Ontario video firms. In his ruling the judge stated that Canada's Criminal Code's obscenity provisions do not cover video cassettes. He stated that "the wording is too vague to permit its application".

What steps will be taken to ensure that videos will be subject to the same regulations which prohibit the distribution and the sale of other obscene material?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would advise the House that video tapes have been the subject of successful and unsuccessful prosecutions.

I cannot comment on the case in question because the appeal process still has to follow its route. But I would say that it is a little premature at this time to state that all cases involving video tapes cannot be prosecuted.

POINT OF ORDER

OLDER WORKERS—GOVERNMENT FUNDING

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I rise on a point of order. I regret that in answer to a question from the Leader of the Opposition I referred to the funding for older workers under our program as $50 million. I am sure he will be delighted to know that the amount is actually $100 million.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Roberval) that Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof be read a second time and referred to the Standing Committee on Transport.

The Acting Speaker (Mrs. Champagne): When the House recessed for lunch, the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) had the floor. There were four minutes left for his intervention.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, at the break we were discussing the duties of the chairperson under Bill C-2. All power seems to be vested in the chairperson. The chairperson acts not only in that capacity but acts as chief executive officer and top administrator in personnel and financial matters. The chairperson also directs the director of investigations. I would suggest that this is much too much responsibility for one person to handle.

It will be our recommendation in committee that the functions and the duties of the chairperson and the chief executive officer should be divided, and further that the board should be responsible for hiring the chief executive officers.

Carrying on with the intent of the legislation, Madam Speaker, transportation occurrence under the definition section should be defined so that the jurisdiction of the board can be properly and clearly carried out. "Accident", I think, is self-explanatory, but "occurrence" must be defined so that the new board, if and when it becomes operative, is aware of its responsibilities and more importantly aware of its total jurisdiction so that it can act in the best interests of Canadian travellers.

Earlier I said I would I return to the multi-modal concept. We have been advised that the previous legislation, aviation safety, was unworkable. Yet we are asked to consider new legislation today that not only deals with aviation but it is to be enlarged to deal with accidents and occurrences that happen in rail, pipeline, commodities and marine areas. How can we enlarge the scope of this Bill when, by admission, the board had difficulty with investigating aviation accidents and occurrences? Does this make sense? We should broaden Bill's scope rather than limit it and get the proper Bill working right now.

It would be trite to say that this legislation affecting the safety of Canadian travellers and those who visit our country should be clear, operative, functional and understandable. It should address the transportation concerns of all Canadians considering our philosophy and the concept that our transportation problem must be addressed.

As this legislation goes to committee, we will follow it very closely and the remarks we have made here today will be followed through committee and we hope will be reflected when the Bill returns to the House for further discussion.

The Acting Speaker (Mrs. Champagne): Any questions or comments? Debate.

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, it is my pleasure to speak in support of Bill C-2, an Act to establish a Transportation Accident Investigation Board.

This Government recognizes that a thorough and objective accident investigation is crucial to transportation safety. From such studies we learn, document, and implement improved procedures and endeavour to find better and safer materials and technologies.

Transportation has played a crucial role in the development of this nation. Canadians have come to depend on,

and expect, safe and efficient modes of transportation. Our record has been enviable. However, we cannot rest on our laurels. We must remain ever vigilant, incorporating new technologies and procedures where applicable and establishing appropriate institutions as required.

Our Government has endeavoured to improve transportation safety at every opportunity. The revision of the Aeronautics Act in 1985, the upgrading of the safety amendments to the Canada Shipping Act in 1987 and the Railway Safety Act in 1988 are a testament to this fact. In keeping with this determination, the proposed TAIB legislation will create a new, independent board entrusted with the authority to investigate and report on accidents involving the marine, rail, and commodity pipeline modes of transportation as well as that of air mode. This multi-modal board proposal was developed in response to the evident need to separate accident investigation from the safety regulation function in all of these vital modes of transportation in Canada.

In drafting the TAIB Bill we have had the benefit of experience since 1984 with the CASB Act and we have learned a great deal from that experience, including the difficulties which have led to so much recent concern.

As well, following circulation in June, 1987, of some preliminary suggestions and the tabling last July of former Bill C-142 we have had the benefit of advice from many sources. We received valued comments from all elements of the transportation industry as well as from organizations as the Canadian Bar Association, the Canadian Maritime Law Association and the Canadian Chamber of Commerce.

The Deschenes study on maritime casualty investigations has been very helpful, as has the Hickling evaluation of the CASB. Comments from the Hon. Mr. Justice John Sopinka, before his appointment to the Supreme Court of Canada, have also been of great assistance.

Serious consideration was given in the determination of the structure and composition of the new board. The creation of one multi-modal board offers distinct advantages which other formats do not provide.

It affords consistency in the application of standards while, at the same time, respecting the unique requirements of the individual modes. The multi-modal format will ensure consistency of treatment for those involved in transportation accidents in all modes. Each mode can learn from the experience of the others, and much scientific, medical and other expertise can be applied across all modes.

To ensure that the respective differences between modes are considered the Bill provides in Clause 10 that three separate directors of investigation will be designated; one each for air and marine investigations, and one for rail-commodity pipeline investigations.

While ensuring recognition of the uniqueness of each transportation mode's needs, the Bill also provides that in appointing members to the new board the Governor in Council must appoint those who, and I quote:

> —will ensure that the members are, collectively, knowledgeable about air, marine, rail and commodity pipeline transportation.

With these measures, I believe we can be confident that appropriate attention will be directed to accident investigation in each transportation mode as required, and yet we can rest assured that no one mode will be afforded a disproportionate degree of resources.

The new board will be independent. It will have jurisdiction to investigate a wide range of accidents, incidents, conditions and situations, and be mandated to report publicly on all findings as to the contributing factors and causes of accidents. Most important, the new board will be required to make recommendations to avoid repetition of similar accidents in the future.

• (1510)

The issue of board structure and composition was given very serious consideration. Independent advice was sought as to the most effective and efficient composition of the new board.

The TAIB Bill precisely clarifies the respective roles and responsibilities of the board members, the chairman, the directors of investigation and the board staff.

The chairman will be the chief executive officer of the board and will supervise and direct the work of the board and the staff. The board chairman will have the responsibility for the internal management of the board, including personnel, financial and property matters.

As with any other deputy head of a federal agency, the duties of the chairman will also include such responsibilities as directing and apportioning the work of the members and staff, calling and chairing board meetings, approving budgets and so forth.

The present Bill is drafted to give board members, acting as a unit, full responsibility for establishing the board's policies in key areas. The board members will be fully responsible for board activities. This responsibility will include the establishment of general policies to be applied when determining the causes of accidents, when finalizing board reports on those accidents and when making recommendations to improve safety.

It is intended that the board members shall apply their background and expertise not to conducting investigations for which very competent staff will be employed, but to weighing the contributing factors identified by the investigators.

The board as a whole will have the over-all responsibility for accident investigation, for making findings as to the contributing factors and causes of these accidents, and for issuing reports which contain recommendations based on their findings.

The board as a whole will determine which accidents are to be investigated while the directors of investigation will be responsible for directing the content of those investigations.

The board as a whole will review the reports of the accident investigators, obtain information from them as board members may see fit and, ultimately, determine the final board findings as to the causes and contributing factors, and approve final board reports.

Most important, board members are to make appropriate recommendations based on their findings and designed to prevent repetition of similar accidents.

As I noted earlier, board members set policies, by-laws and regulations for conducting the board's business. The Bill makes clear that the chairman must act in accordance with these policies, by-laws and regulations.

To carry out the actual investigation of accidents the Bill specifically establishes three positions for directors of accident investigation. These persons will be charged with directing the conduct of accident investigations on behalf of the board. They will have exclusive authority to carry out this function. However, they will exercise their authority in accordance with the policies established by the Board. Investigative staff will report to them. Their reports will be reviewed by the board members. The directors of investigation will then be required to conduct such further investigations as the Board may request.

The Board will be entitled to adopt and issue the investigators' report as its official report, or the Board may disagree with it in whole or in part and issue a final board report independent of the investigators' findings. The investigators' report would remain on record as submitted to the Board and be part of the record that may be accessed by the public.

The delineation of responsibilities between the board members and the investigators is obvious and deliberate. It is the duty of board members to review the reports of investigators and then make their determinations on the basis of this material and any other relevant information that they may have. Consequently, it is essential that the board members be able to review the reports of the investigators objectively.

With the deliberate provision of this separation of duties, board members will be free to disagree if they wish with investigators' reports, and there will be no question that the board members have been unduly influenced by investigative staff, or vice versa. This arrangement will enable board members to conduct their review and make their findings objectively. Parties with a direct interest who then make representations to the Board on review of circulated draft reports, or at public inquiries, can thus be confident that their representations are given equal weight by board members along with the reports prepared by the investigators.

Establishment of an independent board to investigate accidents for the rail and marine sectors, as well as the air mode, is clearly desirable. The TAIB will be completely independent and separate from any Department of Government. It will be handed a clear and precise mandate to investigate accidents and practices in each of the critical transportation modes in Canada.

The clearer definition of the roles of the board members, chairman and directors of investigation in the proposed TAIB Act should enable the new board to function effectively, efficiently and expeditiously.

The Board shall act as an impartial arbiter. It will not seek to lay blame or liability. Its sole purpose is to determine cause and to recommend changes to ensure future safety. It will judiciously investigate accidents in an open and public fashion. Interested parties will be welcome at investigations and will be in receipt of the Board's draft reports.

Transportation Accident Investigation Board

Quality accident investigation is essential to ensure improved transportation safety. The new board will improve the quality of accident investigations in rail, marine, as well as air. This will lead to even better safety recommendations to help us avoid similar accidents in the future.

We all want to be confident that investigations are conducted fairly and objectively. The total independence of the new board will provide this objectivity. The investigators in the rail and marine modes will no longer be linked to the safety regulators. Potential conflicts of interest will be eliminated.

The Canadian transportation community at large strongly supports the creation of an independent transportation accident investigation board for all modes.

I truly believe that all Members support the basic objective of the Bill, that is, to improve the quality of accident investigation policies and procedures so that our transportation system can be made even safer for the future.

I hope that the Bill will be considered quickly so that this objective can be realized as soon as possible.

I look forward, along with the Minister of Transport (Mr. Bouchard) to working with the Standing Committee on Transport to ensure that, in all respects, this Bill will achieve its objective to the fullest extent possible. If that means considering some modifications to the provisions of the Bill, we are prepared to do so.

As a Government we will not compromise public safety for expediency. TAIB is not a stop-gap measure or an interim solution. Rather, it is a product of the Canadian Government's constant effort to improve safety in all modes of transportation. The new Transportation Accident Investigation Board embodies lessons we have learned, and attempts to anticipate foreseeable needs.

As a responsible Government we have observed, listened and now we have tabled this legislation. I trust that all Members of the House will respond in kind with equal appreciation for the need for swift passage of this critical Bill.

The Acting Speaker (Mrs. Champagne): Are there questions or comments? The Chair recognizes the Hon. Member for Parkdale—High Park.

Mr. Flis: Madam Speaker, I was pleased to hear that the Minister of State for Transport (Mrs. Martin) welcomed the contributions and recommendations of John Sopinka and the Canadian Bar Association, two outstanding authorities in this area and especially outstanding in terms of drafting Bills. The recommendations that both John Sopinka and the Canadian Bar Association made to the Government were that this Bill does not provide the Board the independence that it needs, that there is too much control and too much power given to the chairman and directors of investigation. We saw this in the Canadian Aviation Safety Board in its consideration of the Gander investigation where information was withheld from the members of the board because the chairman and the directors of investigation had too much power unto themselves.

Since the Minister of State for Transport stated in the House that the Government found the recommendations of the Canadian Bar Association and John Sopinka very helpful, can she tell us why her Government did not implement the main recommendations of these two bodies?

• (1520)

Mrs. Martin (Lincoln): As I also mentioned, during the consultation we heard from the Hon. Justice Sopinka, from the Bar Association and from other groups and interested parties as far as the safety Acts were concerned. We took into consideration all the input we received, not just the two that the Hon. Member mentions. In taking those into consideration, we have drafted a Bill that we feel will make for a well-rounded, operable board that will look into all modes of transportation accident investigation.

Certainly as that Bill comes before the standing committee, there are opportunities for making recommendations and making suggestions. We will have a lively debate at that point during committee as to the changes that may be necessary to the Bill. We do feel in the drafting that we have taken into consideration all input, partly from the Bar, partly from Justice Sopinka, and also from the other groups as well. It is from all the input that we have that the Bill has been drafted, not just the two reports that the Member mentions.

Mr. Benjamin: Madam Speaker, the Minister has made much about the independence of the Board. She mentioned something about the findings being made public and available, et cetera. I would ask if she could explain why the Minister should be entitled to an advance copy of the confidential draft for the Minister's response. In fact, a reasonable opportunity—Section

24.2—must be allowed for the Minister to respond before it is publicly released.

What about the accident investigations that involved pilots, air traffic controllers, railway conductors or engineers? Are they not just as entitled since they are the subject of the investigations? Why not keep them independent? Nobody gets a copy of the report, including the Minister, until the report is made public by the Board?

Mrs. Martin (Lincoln): I think the Hon. Member will notice, as he studies the Bill, that the draft reports are going to be circulated for comments to all Parties with a direct interest, not just to the Minister. We are making it open and objective for those people who make appearances before the committee. The Minister of Transport, who is a very competent Minister of Transport, I might state, has a responsibility for safety as a Minister in the Transport Department, and he is entitled to that draft report, as are other interested parties that are going to be involved in these investigations.

Mr. Pagtakhan: I have the same question on the same section of the Act. My question is, will the Government ensure that the copy of the draft report be included and hence be compared with the copy of the final report, where made public, so that we can truly test the objectivity of the investigating board?

Mrs. Martin: As I mentioned, those people who are interested in the report will receive the draft report, those who have been part of the investigation, people that we have gone to. Naturally if they receive the draft report, they will receive the final report and will have no problem comparing them.

Mr. Angus: Madam Speaker, my question through you to the Minister of State for Transport is: In my presentation earlier today I talked about the potential role for the Transport committee in actually being given the freedom to fully examine this legislation, the freedom to consult whoever the committee deems appropriate, whether they be in this country or the United States or elsewhere. I am wondering if the Minister of State for Transport could give us a commitment today that because the very nature of this Bill is not partisan in the sense that it is an implementation of a government philosophy, economically or what have you, that this should really be an all-Party Bill? Will the Minister give us the commitment that maximum flexibility will be allowed the committee to chart its own course, to decide on who to call, the duration of its hearings and all the matters that it deems appropriate?

Mrs. Martin: Madam Speaker, I am very much encouraged by the support from all sides of the House for improved investigation boards in all modes of transportation. I look forward to that co-operation in committee to make sure that we can move this quickly. As the Hon. Member knows, the chairman of a committee is the individual who is responsible, along with the steering committee if he forms such, to decide what action the committee will take, who they will hear and what time frames they will work under. I am sure that the chairman of the committee will have the co-operation of all sides of the House to make sure that we get the right information from the right people in the right time frame so that we can move this Bill through and have a good Bill when we are finished with it with the necessary changes that will make it function properly.

Mr. Comuzzi: Madam Speaker, three very short questions to the Minister of State. I was interested in her remarks about the records that will be accessible by the public. My question is: How soon will they be accessible to the public, when and where?

The second question is with respect to the multimodal concept and her comments that they should ensure consistency. My question is: Consistency in what area?

The third question is also to the Minister and is with regard to the duties of the chairperson and chief executive officer. Does she not feel that those duties are so onerous that that position should be split into two separate categories?

Mrs. Martin: Madam Speaker, if I could start with the last question first. As far as it being a very large task for the chairperson and chief executive officer that is going to depend on the individual who is in the chair and his or her abilities to function there. We feel that the right individual would be capable of handling both parts of it. If we find in the future that that does not prove to be true, we may find it necessary to make changes. But with the right person at the helm, I think it can be done.

As to the consistency in all modes, by having one investigative body or one board looking at all investigations, we can make sure that there is consistency in application of investigation methods in the assessing of the material. The information that comes through will be done by one board in all modes. They will be able to share from each other's responsibilities and each other's expertise in making those decisions. We feel over all that

it will make for a more knowledgeable board by sharing of expertise.

As to the first question about records and how soon they will be available to the public, I am sorry, I don't understand what the Hon. Member is referring to. I would like further explanation on that, if I may, Madam Speaker.

Mr. Commuzi: Madam Speaker, I thought that the Minister had said in her remarks that all the transcripts or the records would be made available to the public. Did I not hear that properly? I am wondering if I heard that properly.

Mrs. Martin: I believe what the Member is referring to is the statement that the draft reports would be available to the interested parties that were involved in the investigation for perusal prior to the final report. At that time they would have an opportunity to look at it. Certainly when the report is made public, the investigation reports are part of that public tabling of the information that would be available to those who are interested.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I have the feeling I have been here before on the same subject several times since 1968. While some of my colleagues on all sides might think that I have been here too long, I want them to know that I do not think so.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Until I do think so, I am going to stay, the Lord willing.

• (1530)

I have heard much about the independence of accident investigation boards, whether it be airline investigations, railway accidents, pipelines, or marine accidents. There has always been a question about their so-called independence.

Too often the boards were run by those who formulated the laws and regulations and were charged with the responsibility of enforcing them. They were also the judge and jury, and not too often convicted themselves.

We hear much about the independence of this board. Frankly, I believe it should be able to present its report and make it public the day it is ready, press conference and all. If there is anything fundamentally bad or perceived to be bad about it, those concerned can appeal. If that does not work, they can go to the Federal Court, just like any other citizen of this country. I see no reason why the Minister should get an advance copy of the report.

While I have not yet read the whole Bill, clause by clause, I have found nothing that says anyone else concerned can get a confidential copy of the report in advance. I suggest that provision of an advance copy to the Minister weakens the independence of the Accident Investigation Board.

While some may disagree with me, particularly those in the trucking industry, I think the legislation should also cover trans-boundary, international and interprovincial trucking. One day a semi-transport with a couple of pup trailers will plow into the ground floor of an apartment block and everyone will ask what happened. It is inevitable.

With Bill C-19 we were promised that there would be a uniform set of regulations to which all the provinces would agree. The Hon. Member for Fraser Valley East (Mr. Belsher) will recall the committee dealing with Bill C-19 when the Canadian Truckers Association begged the Government not to bring that legislation into place until everything else was in place first and there was agreement with the other jurisdictions in the 10 provinces and two territories on a uniform set of regulations, rules and conditions under which interprovincial trans-boundary trucking could operate. We still do not have such agreement. It is a jungle out there.

I understand that my own province refuses to even discuss the subject with the federal authority. According to the Constitution of Canada, going back to the BNA Act, the national government had jurisdiction under international and trans-border trucking until the early 1950s, when it gave it up to let the provinces administer it. Since then we have seen them run off in 10 different directions, and it still continues in spite of what the Government told us.

A Transportation Accident Investigation Board that will cover air, rail, marine and pipeline will have to be a large operation. Someone who is an ideal investigator of an aircraft will not be very good with pipelines, and vice-versa. You cannot hire these kinds of people at the Canada Employment Centre, or off the street. They

have to be experts. It will have to be a large operation, which I support, but there must be a commitment to it by the Government. There had better be a lot of money provided for this in the Budget to make sure there is the capacity to appoint and hire the best possible people for the board.

I do not want a repeat of the past. I remember a famous incident when an alderperson from Edmonton was put on the Board of Directors of Air Canada. When asked about her qualifications she said that she had flown a few times. We certainly do not want someone on an investigation board who is not knowledgeable about the industry. The people appointed to these boards should be experienced and competent.

There have been five Ministers of Transport since 1980, and almost as many Ministers of State for Transport. Jean-Luc Pépin opposed deregulation and that was the end of him. It was the Member for Winnipeg South Centre (Mr. Axworthy) who started all this nonsense of the nirvana of the marketplace, private enterprise and deregulation. In spite of the warnings from the experts outside Parliament, that government proceeded with deregulation in 1982, before there were any laws or regulations. The Member for Vegreville (Mr. Mazankowski), the Member for St. John's West (Mr. Crosbie) and now the Member for Roberval (Mr. Bouchard) were the succeeding Ministers. All five of them told us repeatedly in the committee that there would be no compromise on safety, security, inspection, enforcement and investigation.

This time we will not take those assurances at face value. If we cannot take the Government's word, it had better state in the Budget how much money it will provide, how many people it will involve, and what kind of people. If it is in the Budget, we might believe it.

We were accused of trying to frighten the public. Every Minister since the beginning of deregulation was repeatedly warned about the inadequacies of the system. These warnings were not just from Members of Parliament; they were from expert witnesses who knew what they were talking about. There were scores of hearings, including hearings on cabooses, hearings on the Freedom to Move White Paper, the National Transportation Act and the Trucking Act. There were hundreds of witnesses and on these and other occasions it was pointed out that safety and security inspection and enforcement was insufficient. Yet there was a lack of follow-up action.

• (1540)

I would like to remind Hon. Members of one witness in particular. One sure as heck could not call him a raving socialist. He was the immediate past head of the American Federal Aviation Administration, a Reagan appointee. He appeared before the Standing Committee on Transport and not only urged us but pleaded with us not to deregulate until we had everything else in place in all modes of transportation. He admitted very plainly and honestly what had happened in the United States and told us not to make the mistakes they had made, but to learn the lessons of the American experience. I could not find a Minister and I could not even find a small majority of the Transport Committee who would agree with the man.

This man told us to have in place, before deregulating, enough controllers, enough inspectors, enough enforcement, enough runway capacity, enough terminal capacity and enough passenger and baggage security capacity. He told us to have that in place first and then to deregulate. The truckers told us the same thing.

Representatives of the Canadian Air Transport Association, Canadian owners and pilots, air traffic controllers and the machinists' union appeared before the committee and most of them said they were in favour of deregulation but did not think we were ready. Boy, were they right.

We were told *ad nauseam* that there would be no compromise on safety. But what do we continue to get under the last four Ministers of Transport? There have been cut-backs, reductions and restraint. This is after they have told us that there would be no compromise. That is why we will not accept the Minister's word or the Government's word this time. It had better be in writing, on paper and irrevocable.

If the Treasury Board or the Minister of Finance (Mr. Wilson) refuses to grant the Minister of Transport (Mr. Bouchard) and the Minister of State for Transport (Mrs.

Martin) the kind of wherewithal that is required, then I think those Ministers should ask why and resign to the applause of the entire nation.

No matter what one thinks of the deficit or the national debt, in the last four years Ministers of Transport have done nothing but play fast and loose with the well-being of the travelling public in the name of restraint, cut-backs and the deficit, and with the safety and security of the facilities for the workers in the transportation industry. From what I have seen in some sectors of the transportation industry, I am amazed that the industry has done as well as it has with the tools given to it to do the job.

I do not see how we can have an effective accident investigation board without that kind of sign-on-the-dotted-line commitment. I do not want to have to go through this again. I have been through too many hearings, too many debates, too many pieces of legislation and way too many Ministers who never did follow through and do the job. In my experience so far with this Minister, the same thing applies. He is a nice fellow. There is nothing personal about it. It ain't his cup of tea. It is not what you could call his long suit, and I am not talking about his underwear!

We have to try to put the round pegs into the round holes and the square pegs into the square holes. In the transportation industry in Canada since the late 1970s, the opposite has been the case. This time, I hope the Government will put its action where its mouth is. We have heard all of this before *ad nauseam*.

I remember the days of Otto Lang, the late unlamented. It was very interesting this morning to listen to my good friend from New Brunswick who led off for the Official Opposition. I was hoping he would have the courtesy to blush. He was chairman of the Transport Committee when the Hon. Member for Winnipeg South Centre (Mr. Axworthy) brought in deregulation. Butter would not melt in the mouths of the Liberal members of the Transport Committee. They were telling us how good this was, but the Tories kicked the heck out of them. Then the Liberals got defeated and the Tories came in. I'll be darned. For the first year of the new Parliament, back in 1984, I sat here listening to Liberals making Conservative speeches and Conservatives making Liberal speeches. I must confess I got a little confused.

The Government is really not committed to treating transportation as a public utility. It is not prepared to treat it as something that must be regulated. We must make the transporters perform. I have no objection to the transporters getting a reasonable return on their investment, but we cannot leave it to them. We cannot have airlines in charge of the inspection of passengers and luggage at airports. That has to be done by the Department of Transport. We cannot have the railways inspecting their own equipment with their shortage of car inspectors.

The Government has allowed the owners and operators of the transportation industry to have their way. As long as they can make a buck, they are called successful. This Government or another one like it, God forbid, will kill more people because this Minister and the previous three Ministers as well as the previous Government have in fact compromised on safety, security, inspection and enforcement. Unless the Government comes up in the Budget with all the wherewithal to do it right, we will not believe it and we will fight it to make it do so.

[*Translation*]

Mr. Ricard: Madam Speaker, I listened very carefully to the speech by the Hon. Member for the New Democratic Party, and I remember that a few years ago when an accident happened in Gander and also recently with the accident in Dryden, all the Opposition Parties screamed bloody murder and asked for a royal commission of inquiry. Today, we have introduced a Bill that will separate investigators from the people who enforce the legislation, and they don't like that. My first question is: I would like to know what they don't like about a system which, once and for all, will separate investigators from those who enforce the regulations. My second question is, whether they have an alternative policy. If they do, I wish they would let us know because they keep criticizing the Government but never suggest any concrete alternatives. My last question is this: If a socialist party ever came to power, what amounts would it appropriate in this area?

[*English*]

Mr. Benjamin: Madam Speaker, I apologize to my colleague. I missed his first couple of sentences. He said something about Gander, which I do not pretend to know anything about.

• (1550)

The hon. gentleman asks what we would do. As I said in my speech, and I meant it, we would ask the Government to treat transportation as a public utility. It is something that everyone in Canada has to use both directly and indirectly. It cannot be left up to the whims of the operators and owners of each mode of transportation, whether they are publicly or privately owned, to

operate what is first in their best interests, the bottom line. That cannot be allowed.

I forget the other question of my hon. friend, however, not once did I mention the words NDP in my entire speech. If my hon. friend would like me to give him a 40-minute exercise in NDP transportation policy, I would be delighted and willing to ask the House for unanimous consent for me to have another 40 minutes.

The Acting Speaker (Mrs. Champagne): The Hon. Minister of State for Transport.

Mrs. Martin (Lincoln): There were a couple of points raised by the Hon. Member for Regina—Lumsden (Mr. Benjamin) on which I would like to reassure him. First, he was talking about the ability and the competence of the people. As I mentioned in my remarks, there is a clause that calls for the appointments to ensure that the members are collectively knowledgeable about air, marine, rail, and commodity pipeline transportation. That is contained in the Bill to ensure that that will take place.

As far as resources are concerned, at the current time there are approximately 300 people who are now involved in accident investigation activities among the three modes. There is absolutely no intent to decrease the resources that are devoted to accident investigation.

The Hon. Member mentioned that expertise is required. The vast majority of those people who are currently doing the investigations will no doubt be transferred to the new Board so the expertise will continue. We will not necessarily be hiring these people through the local employment office, I would like to add.

Transportation is indeed the Minister of Transport's cup of tea, and it is my cup of coffee. I am looking forward to becoming involved very thoroughly in carrying this Bill through to the end and seeing it implemented and carried out in the future.

Mr. Benjamin: I appreciate and thank the Minister for her attempts to reassure me. I recall when I was assured there were enough railway inspectors that it turned out there were 19 for 100,000 miles of track in Canada and over 150,000 units of rolling stock.

We were repeatedly assured there would be enough air traffic controllers. Does the fact that there is a backlog of more than 1,200 investigations not tell the Minister of State something? Does that not make the Minister and the foggy bottoms in the Department of Transport realize and understand that they are not only away behind but they have to do more than catch up?

Of course, some people will be recruited from the Department of Transport and from the National Transportation Agency. I expect that expertise will have to be found in other countries and brought in. Those people are not hired down at the Canada Employment Centre. The Minister will have a sweet time getting this set up. I do not believe there are enough bodies in the Government. If all the Minister is going to do is hire ex-railway officers or airline officers, then the problem has not been solved.

Mrs. Feltham: The Hon. Member mentioned in his speech that he had not read all of the Bill. I would like to refer to page 6 which states:

> 4.(2) The Governor in Council shall appoint as members persons who, in the opinion of the Governor in Council, are collectively knowledgeable about air, marine, rail and commodity pipeline transportation.

The Hon. Member was also concerned about the object of the Board. On page 8 it refers to what the Board must do and how it must report. In Clause 7(2), it states in part:

> —the Board shall not refrain from fully reporting on the causes and contributing factors merely because fault or liability might be inferred from the Board's findings.

The Bill in its present form sets out what the Board must do and will continue to do.

Mr. Benjamin: I thank my colleague for that comment. However, I wish to suggest to her that we have had that before where, in the opinion of the Government, someone is qualified.

If my hon. colleague had been here for the number of years that I have, she would find out how that did not work. That is another reason the Standing Committee will now insist on sitting down with every appointee, and I do not care if it is *in camera* or not, to see whether or not the Standing Committee is prepared to recommend them. Too often the opinion of the Government is more designed to hand somebody a job than it is a matter of competence, background, and experience.

Mr. Belsher: I have listened with interest to the speech of Hon. Member for Regina—Lumsden (Mr. Benjamin). As transportation is one of his fortes that he has studied for a great many years, I would like to remind him that it sounded like we had deregulated safety. Nothing could

be further from the truth, and the Hon. Member knows that.

Mr. Benjamin: Compromised on it.

Mr. Belsher: Canada has a very good safety record. In fact, it is one of the top safety records world-wide in any mode the Hon. Member cares to choose. Certainly there are accidents, and that is what the Bill is all about. We are trying to prevent accidents. We want to ensure that we have the right means in place to prevent accidents.

The Bill addresses the need to improve on safety and to ensure that it has been properly studied. The Government did bring forward the Aeronautics Act amendments in 1985, of which the Hon. Member was a part and studied that legislation. There were also the Canada Shipping Act amendments in 1987, and the railway shipping Act of last year. The Hon. Member was also a part of those.

The Hon. Member talked about interprovincial trucking. Highways are a provincial matter. Each province has its own police force which works within its own province. It makes no difference whether the truck is going from one province to the next. Why should it not be maintained and the safety part adjudicated from within each individual province? Why should we attempt to put this into an intermodal scheme of things when it is already under the jurisdiction of each individual province?

The Acting Speaker (Mrs. Champagne): A short rebuttal from the Hon. Member for Regina—Lumsden.

Mr. Benjamin: Thank you for your patience, Madam Speaker, with all of us. In my opinion, in some respects safety was deregulated when the exit and entry regulations for airlines and charter aircraft were cancelled. It was left wide open. As long as someone could get a bank loan, lease a couple of airplanes, and hire a laid-off crew at half the wages, he was in business. There may have been no mechanics or hangar, but he was in business. How many dozens have started up? It is even worse south of the border. It seems to me that that is deregulating safety.

The same thing has applied in other sectors of the transportation industry. They are fundamental to the national economy, and whether they are privately or publicly owned, by their very nature they are natural monopolies. Therefore, they have to be regulated and controlled, particularly in the areas of safety, inspection, security enforcement, and all the other things I have mentioned.

There are not only one or two items that crop up now and again. It is a large ball of wax, and so far all the Government has done is melt it.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand)—Unemployment Insurance—Funds redirected to training—Expenditure locations—White Paper—Request for referral to parliamentary committee; the Hon. Member for Edmonton East (Mr. Harvey)—Energy—Energy alternative programs—Termination of positions—Alternative energy development; the Hon. Member for Kenora—Rainy River (Mr. Nault)—Aboriginal Rights—Post-secondary education—Students' hunger strike— Bilateral process.

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Roberval) that Bill C-2, an Act to establish the Transportation Investigation Board and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I rise today to address the legislation before us, that is, the establishment of a new Transportation Accident Investigation Board.

I must begin my remarks by saying that the Minister's decision to model this new Transportation Accident Investigation Board after the CASB is on the right track.

However, I believe the Minister is putting the cart before the horse. Accident investigation is of primary importance to ensure high levels of safety standards. Many recommendations stemming from investigations have contributed to this country's high level of safety regulations which protect air travellers on a daily basis.

Why is this Government rushing the creation of this new board? Why will this Government not wait for the findings of the judicial inquiry into the Dryden crash? Why will it not wait to hear from Justice Estey's review of the circumstances surrounding the Gander crash?

The logic is that an inquiry always precedes legislation, similar to the previous process when the Dubin inquiry into air safety provided the building block for the Canadian Aviation Safety Board Act. Or, is it that this Government is not interested in the findings and recommendations of the Estey review and the Dryden inquiry?

A recent Angus Reid poll indicates that Canadians think air travel in this country is less safe than it was, and an overwhelming majority wants this Government to show some leadership and do something about it. The poll also suggests that Canadians want firmer regulations of air travel. Air safety should be this Government's first priority. Let me tell the House why.

On Friday, March 10, I received word that Air Ontario's Flight 363 crashed in Dryden shortly after take-off. Some 24 people lost their lives and many more were injured. The victims' families want to know what happened. They want to be reassured that our airways are safe. They want to know that regulations have been followed.

In the days following the crash we heard of a three-year old Transport Canada report which pinpointed the Wawa to Kenora region as one of the most dangerous flying zones in the country. We also heard again in the same report that northern Ontario's accident rate is higher than the national average. This is frightening, and it is totally unacceptable.

It is unacceptable to the people of northern Ontario, and it should be a top priority of this Government. This is also why members of the Liberal Party believe that this legislation could have waited until all the facts are in. This new Transportation Accident Investigation Board will not address the immediate issue of air safety in this country. It will not address the immediate issue of air safety inspectors, nor will it address the immediate issue of air traffic controllers and the perilous effects of deregulation.

Deregulation of Canada's air industry has created some major difficulties with respect to air safety in this country. This Government accelerated the legislative process of deregulation and this led to several key mistakes in the final legislation which have left air safety in peril. I know and I need not be reminded that deregulation was introduced by a Liberal Government. The Liberal Party supports the basic concept of deregulation, but it was totally opposed to the rapid process adopted by this Government. This Government's failure to include a key clause in the final legislation, which could have protected remote and distant communities such as those located in northern Ontario from loss of services as a result of deregulation, has contributed to today's problems with aviation safety.

Bill C-2 will not restore faith in air safety. Canadians want assurances that our airways are safe. They want regulations which will protect them, and rightly so. I can tell Hon. Members of the House that this Government's failure to include this key clause has led to a loss in service. It has led to inadequate weather reporting facilities in my riding and across the whole northern part of this province. It has led to higher air incidences, and it has led to the loss of lives. I encourage the Minister to fly into my riding on a Saturday and see for himself the level of service being provided to northerners.

When this Bill was originally introduced last July, the Minister said at the time and I quote: "The National Transportation Act places safety at the top of our list of objectives. The Government takes this commitment seriously".

What has happened to this commitment? Given the crash at Dryden, the inefficient numbers of air safety inspectors, and the lack of air traffic controllers in this country, I fail to see this Government's commitment to air safety. How will this piece of legislation reassure Canadians that air safety is a priority with this Government?

I would like to turn to the new Transportation Accident Investigation Board's mandate. This legislation was to establish this Board as a totally independent body. It must be of the highest standards employing Canada's top experts in the field of transportation safety. Failure to provide these basic principles will lead to another situa-

tion such as we have seen with the Gander crash investigation.

Members of my Party cannot emphasize strongly enough the importance of waiting for the results of the judicial inquiry into the Dryden crash and the judicial review of the Gander crash before rushing ahead with this legislation.

The Dubin inquiry on aviation safety formed the basis of the legislation creating the Canadian Aviation Safety Board Act, 1984. It boils down to basic common sense and logic. Waiting for these results will provide the Government with the necessary recommendations to create an accident investigation agency which will promote safety in Canada to the maximum efficiency and to ensure that the day-to-day operations of this agency will proceed with the least possible opportunities for dissension to set in.

It is also my hope that this Government will be bound by this new Transportation Accident Investigations Board's recommendations, such was the case with the CASB. The only difference is that Bill C-2 should ensure that the recommendations to the Government are adhered to.

In March 1987, the Canadian Aviation Safety Board completed a study of aviation accidents in the Wawa-Kenora region. The conclusions of this study indicated that situations involving pilots operating under visual flight rules pushing on into bad weather appeared to be a factor in the higher accident rate in this region. Further, this was some indication that weather facilities in northern Ontario, particularly 24-hour weather observations sites were not sufficient to counteract the difficulties of weather forecasting. Based on these findings the board made two safety recommendations and recommended that the Department of Transport and the Department of the Environment expedite the installation of automatic weather observing and reporting facilities in the Wawa-Kenora region. It also recommended that the Department of Transport institute a promotional campaign to improve pilot awareness of the extra efforts needed to conduct their safety operations throughout that region. Neither of these recommendations were acted upon. Had the Government listened to the experts, the Dryden crash could have possibly been avoided.

In closing, I urge this Government to listen closely to the recommendations being made by Members on this side of the House. They are sound and valid recommendations. I urge this Government to wait for the findings of the Estey review on the Gander crash and the judicial enquiry of the Dryden crash before proceeding with this legislation.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Johnson: Madam Speaker, I am surprised and appalled at some of the comments made by the Hon. Member for Kenora—Rainy River (Mr. Nault). He has suggested that we should delay the formation of this Board and keep the CASB for just a little while longer. Surely, this is in complete contradiction to what he wants and what this country needs.

Is he and his Party willing to take responsibility for any delay that would occur by such a move? Surely if we do not have the proper structures in place to investigate accidents of all kinds in transportation we will not be able to save lives, and such a delay would surely contribute to additional loss of life.

I would like to comment that in addition we are not rushing with the creation of this Board. In fact the creation of a multimodal accident investigation board has long been part of the plans of this Government and the Minister of Transport (Mr. Bouchard).

• (1610)

In *Hansard* for July 6, 1986, we find the following from the Deputy Prime Minister (Mr. Mazankowski).

The Acting Speaker (Mrs. Champagne): I do apologize for interrupting the Hon. Member. Is that just a comment and a question or is the Hon. Member rising on debate?

Mr. Johnson: I will put my question, Madam Speaker.

The Acting Speaker (Mrs. Champagne): We will be expecting the question so that the Member will have a chance to answer before the time runs out.

Mr. Johnson: Madam Speaker, my question is very simple. As the Hon. Member knows, we have not been rushing the formation of this board.

Is he willing to take responsibility for any delay that he suggests?

Mr. Nault: Madam Speaker, I thank the Hon. Member for his question. First, Canadians do not believe that the new investigation board will do anything for the situation facing us today. Safety in the air is not there at present. Whether the Government installs the investigation

board now or after the results of the two inquiries will make no difference to the situation.

To put in legislation to meet the people's needs the Government should wait for the reports. By doing so information will be at hand to have legislation with some teeth to it to investigate properly, avoiding the same thing a couple of years down the road that we are going through now.

Mr. Skelly (North Island—Powell River): Madam Speaker, I would like the previous speaker to clarify his point. He said that the Government in cutting back and freezing the hiring on air traffic controllers for three years in 1985 created a desperate shortage in air traffic controllers and is creating a serious safety problem in Canada. There is a similar situation with weather facilities and the air space organizations. The failure to put parallel runways in Vancouver and all these cost-cutting measures are what are putting Canadian lives at risk. It is not the fault of the Canadian Aviation Safety Board which is continuing to function, to investigate accidents, and report on them and in spite of the Gander situation and in spite of this legislation. The accident investigation is going on and the professionals doing it are doing it competently. It is really the Government's restraint program and creating an unregulated environment that has created a disastrous aviation situation. Is that about what the Member was indicating to the Hon. Member for Calgary North (Mr. Johnson)?

Mr. Nault: Madam Speaker, I thank the Hon. Member for his question. In a nutshell, that is the problem in northern Ontario. The recommendations being put forward by the CASB are not being followed through. It is easy to have recommendations put forward by different investigation boards but if they are not followed through, it does nothing for anybody. That is the problem.

In northern Ontario recommendations and reports are being handed to the Government and to the Minister but nothing is being done. We saw the magnitude of the Dryden crash which has created deep concern in the people of Northern Ontario and the people in my riding about it being unsafe to fly in airplanes presently.

We ask the Government to put in legislation to meet those concerns. By not waiting for the reports, not waiting for what we are asking for, it will do nothing for northern Ontario. We will have what has been done previously and that is pay lip service to the problem. People running the airlines in northern Ontario are cutting costs to compete in a jurisdiction that is not able to compete with the hub of central Canada. That is our problem and we see it every day.

We should allow the have-not regions which do not have the capabilities to make a profit to revert to regulations allowing them to have safety first not safety last as it may be at this time.

Mr. Casey: Madam Speaker, I have just a few comments. In listening to the Hon. Member from Kenora—Rainy River, he mentions rushing and asks why we are told we are rushing with this Bill. As a new Member, it occurs to me that either we are rushing into something or we are going too slowly. We are never going at the right speed. I say this is the right speed.

The Bill is well thought out. It will provide uniform quality accident investigation facilities for an accident no matter what type of accident there is. Up to now an accident occurring on rail gets a different quality of investigation compared with accidents concerning air or marine traffic. Under this program all accidents will get the same attention as air traffic or any other type.

The Hon. Member demands leadership. This Bill is exactly that. It is leadership. It will provide uniform quality accident investigation.

Mr. Nault: Madam Speaker, I thank the new Member for his remarks. The biggest problem with this situation is that when we get back to the Bill we will see that nothing has been changed from the CASB. There will still be problems with board members not having the ability to make their feelings known or to play a part in the investigation itself. We are back to square one.

We want an independent body to review accidents and review situations like the Dryden crash, to take recommendations and allow us to improve our airways in Canada. To put this Bill in place now will just replace the same problem we had before. People cannot agree because they do not have the power and the ability to tell Canadians what is going on in the industry in Canada.

Mr. MacDougall: Madam Speaker, I also come from northern Ontario. When the Hon. Member refers to air travel in northern Ontario, could he clarify whether he is meaning services such as Nor Ont Air, Air Ontario Beaskin or Frontier? The list goes on. Is the Member saying he is not satisfied today with the services those

companies are giving to the residents of Northern Ontario safety-wise?

Mr. Nault: Madam Speaker, I am not satisfied with the service that we are getting in northern Ontario. I do not know how long it takes the Hon. Member to get from Ottawa to his riding but it takes me six hours. That is totally unacceptable. I am not saying the situation is totally unsafe. I am saying that the mechanisms are not in place to make it as safe as it was previous to deregulation when there were enough inspectors working. We just have to take a look at the Dryden accident. We are being told that the recommendation of the CASB was simple. Pilots should visually inspect wings before taking off. That recommendation should have been circulated to the airlines because of weather patterns in northern Ontario. That courtesy should have been extended to people in Northern Ontario. I see now that my time is up.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I am pleased to rise in the debate today on second reading of the legislation of the Minister of Transport (Mr. Bouchard) to create the Transportation Accident Investigation Board.

Before I start I want to pay credit to the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), who was our lead speaker for our Party this morning. He raised a number of important concerns. As well I mention the dean of transportation in the House from our side, the Hon. Member for Regina—Lumsden (Mr. Benjamin), who brings us a great deal of knowledge and experience.

I have a few brief comments to make before I discuss the legislation before us. It deals perhaps in some ways with safety by rail but it is also a much broader issue that has been raised by many members in Question Period and in other Debates, namely, VIA Rail and its possible future expansion—unlikely as that may be considering the responses from the Minister of Transport. I am speaking particularly of VIA Rail service in northern British Columbia. I had an opportunity to ride from Prince George to Goat River and return Friday evening. I want to thank the crew of that train with whom I had a chance to talk about the service, as well as the passengers who expressed their opinions to me in terms of how important this service is.

• (1620)

I also wish to thank VIA officials in Montreal who gave notice of my trip and ensured that I had all of the proper paperwork in place to be on board that train. Perhaps safety was involved with this trip. I say that because I had the opportunity to go up to the head-end of the train. Frankly, some of the equipment that the Liberal Government before this Government put in place has forced the railway to run with old furnaces on rails. That is a safety hazard. According to the press release of the Minister of Transport (Mr. Bouchard) the new Transportation Accident Investigation Board will investigate causes of accidents, make recommendations to correct safety deficiencies, prepare public reports on its findings and, where possible, suggest ways to prevent recurrences.

According to the press release what the legislation will do is combine three existing organizations. They are the Canadian Aviation Safety Board, the Marine Casualty Investigations Branch of Transport Canada and the Railway Pipelines Investigation Directorate of the National Transportation Agency. As the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) said this morning I suppose most Members wish that we would not have to have such boards to investigate accidents, especially when they have to pick up the pieces and to take a look at what are often tragic accidents that happen in transportation in Canada. Of course we have to have a body to review such accidents to ensure that we learn from them and to ensure that regulations and legislation in the future will be introduced by the Government so that these carriers will not incur damage.

I would like to give an example as to why this legislation is important. In doing so I will reflect on some of the comments made by the Hon. Member for Regina—Lumsden (Mr. Benjamin) about responsibility. Whose responsibility is it to ensure that these carriers operate properly and that we do not end up with major accidents?

My example concerns a situation in my riding which is in northern British Columbia. It was brought to my attention by representatives of Lodge 1415 of the Brotherhood of Railway Carmen of the United States and Canada. They have an interesting situation similar to many communities where there is an interchange between two railroads. In this case it is the British Colum-

bia Railway owned by the Province of British Columbia and Canadian National with which we are all familiar.

In this case under the authority of the National Transportation Agency CN used to be required to have its trainmen inspect the cars before they were sent off on a train. These people are certified under the National Transportation Agency. For those who are familiar with northern British Columbia and Prince George, these trains are made up in the B.C.R. yard which is just south of Prince George. CN sends a locomotive and cabooses over to the B.C.R. yard and then takes the train from there to Winnipeg. Because B.C.R. is a provincially regulated railway the need to have certified inspectors look at those cars is avoided.

The Brotherhood of Railway Carmen think that this is important. They have raised the matter on a number of occasions with the National Transportation Agency. I will be raising it on their behalf again. I have told them that this legislation will be before the House today and likely tomorrow. We felt it would be a good idea to raise this issue in order to point out the concerns that there are.

The carmen conducted a survey concerning one particular train, Train No. 358 which goes from Prince George to Winnipeg. They had their brothers and sisters in Winnipeg report to them on the condition of the train when it arrived, especially in terms of any particular problems that there were with it. In this way they built evidence with respect to the safety of the railroad, which is their paramount concern. If they are required to be certified to send trains out why is the National Transportation Agency allowing a train to travel from Prince George to Winnipeg without being inspected?

In the month from January 13, 1989, to February 12, 1989, a survey of Train 358 was conducted. Normally it has about 75 to 100 cars on it. This survey was conducted by the Brotherhood. The results are as follows. Some 44 cars were reported in bad order, 22 of them for wheels. I asked the members of the brotherhood which of these bad orders were of particular concern because of potential derailment. Wheels are the most important aspect of the train to be inspected. Nine cars were cited for defective loads such as shifting of loads, bands coming loose and what have you. Eight cars had defects in connection with their braking systems. One can understand the concern over a braking system not working. Five cars had various defects concerning draft gears and couplers.

The people who conducted this survey feel that these 44 cars in one month on one train in the state in which they were in is unacceptable considering that these cars are travelling half way across the country in bad order status. However, we are at a point at which the Government and its regulatory agencies have allowed the carriers to govern themselves, to find ways to avoid just such situations as the one I have cited. What we have to be cognizant of when we are discussing the legislation that we are discussing today is what we have to face in the future.

It states in the Minister's release: "—and where possible suggest ways to prevent recurrences". In the case which I have cited I hope and trust that that will not occur after an accident has happened. I certainly intend to pass this information on to the Minister. A situation such as this should be investigated. There should be a report so that those people who are servicing the trains know and feel confident that they are safe and that all the communities along the line from Prince George to Winnipeg can be assured of rail safety.

If there are Members in the House who have concerns in other locations of the country then it is our duty to bring them to the attention of the Minister at the earliest possible opportunity.

I have one other situation which I would like to raise with Members in order to give them an appreciation of just what we are facing in terms of rail safety. I have more information from the same Brotherhood of Railway Carmen. They have particular duties to inspect trains to ensure that they are safe. In the particular case which I would like to cite now a worker alleges that there is a problem in identifying roller bearing noise when a train is going through inspection. I have spoken with the worker and he is prepared to provide additional information to investigators. In this case the worker alleges that the crew that was inspecting the train suggested that there was a problem with these roller bearings, that it was not identified by supervisory personnel and that the train or car went out. In this particular case we are talking about a north-east coal train with which people from western Canada are familiar. The train proceeded and in fact ended up derailing.

These employees of the railway feel that there is a concern about the safety of equipment and its reliability which may lead to derailments that we all hope will not happen. In this particular case it was on the British

Columbia Railway again, a provincially regulated railway. It is of particular interest to us because the equipment is actually inspected by Canadian National Railway employees.

• (1630)

Let me get then to the legislation before us and before it goes to committee where there will be opportunity for people to air their views and, I hope, to call witnesses to look into this legislation. I hope there will be sufficient opportunity to research the area so that we end up with some good legislation.

One of the concerns we have is that while the legislation lays out in detail some of the membership requirements, as Hon. Members opposite have said, it is important that they be collectively knowledgeable about transportation issues. That is very important, Madam Speaker. But one of the issues I would like to raise is that there should be a section in the legislation, a direction to the Government to seek out all interested parties to see if they are interested in sitting on the board. I hope the Minister will attempt to include this.

One of the comments from my meeting on the weekend with the Railway Carmen is that nobody ever asks them. As the people who basically do that day-to-day work, through their organizations—perhaps a professional association or a union—they should have an opportunity to make comment and to sit in on the deliberations.

I would certainly encourage amendment to the legislation that gives direction to the Minister to seek some wide membership and to make sure all of the interested parties have an opportunity to participate in the discussion and the appointment of members.

I think a general concern of all Members should be that bodies such as the Transportation Accident Investigation Board be perceived as independent. I know it is often difficult for the Government to appear not to politically interfere. They have not had a particularly good record in that case. But in the future, I think boards like this that often have to review very tragic circumstances, should be above board and be given every opportunity to make comment. That is not going to necessarily be a part of the day-to-day goings on in this House, such as we see in Question Period, though ultimately it is this House's responsibility to deal with those issues. Let us keep it at arm's length. Let us keep it professional, and offer an opportunity for all to have input.

Equal access should be given to all interested parties to the findings of any investigation. These interested parties should be clearly named by group, whether we are talking about a private company, union representatives, family members or accident victims. I think that is important.

I should say this Bill is long overdue because of the circumstances in our rail, air and water. I am not as familiar as many Members are about air transportation. However, having had to experience it in the last short while, I can certainly vouch that I have been commuting the hard way. It is not just the six hours to Prince George, B.C. It is sitting on those planes for what ended up last Friday to be a lot longer than that, spread over two days to get home. But we appreciate the work that the crews of these airlines and these railroads do to ensure that we, as travellers, can get home, not just Members of Parliament but Canadian travellers and our many visitors and to know that they are travelling in a safe and comfortable way.

The experience of the United States is a perfect example of some of the problems we may face in this country with deregulation. Undoubtedly, the additional airline traffic that we are seeing now at Pearson International Airport means that the Government and Transport Canada and boards like this will have to be ever vigilant to ensure that the proper regulations are followed and that when something does happen, this type of board is given the opportunity and the resources it needs to make a thorough investigation. I think our Transport critic from Thunder Bay—Atikokan (Mr. Angus) made that point very clear. It is important that a body like this and the Government have the resources to carry out any of those necessary changes.

What is going to happen on Budget night? We do not know what the impact is going to be on this legislation. It may render this legislation useless. We hope that does not happen, but that could be the impact of the Budget of the Minister of Finance on April 27.

We hope that does not happen with a number of issues, be it in forestry or unemployment insurance or regional development. We do not want to see perhaps well-intentioned legislation, such as this, damaged by Government Members opposite voting it down by supporting a Budget that may gut the usefulness of this legislation and this board. I would like to hear assurances from the Minister that this will not happen and

that we will have the resources to ensure that proper investigations are carried out.

These kinds of boards are critical because they give that independence to the kinds of unfortunate accidents we have seen. I look forward to following the proceedings in the Transport Committee, although I am not a member of that committee. As you can see, Madam Speaker, from the representations made to me, the people who work in the transportation industry in my riding are concerned. It is opportunities like this and in correspondence with the Minister and department officials that we can raise the concerns of the people who work in the industry so that, hopefully, we will not need to have very many investigations under this board. I trust it will have a boring future and, if needed, the Government will give it the resources to be effective.

Thank you very much, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Questions or comments? The Hon. Member for Laval (Mr. Ricard).

[*Translation*]

Mr. Guy Ricard (Laval): Madam Speaker, I noticed in his speech that the Hon. Member made a reference to routine inspection on trains. If I understood correctly, he would like the Bill tabled in the House today to contain a chapter or section requiring railway companies to make routine inspections on trains, in addition to the inspections after an accident. Perhaps the Hon. Member would care to expand, since I am not quite sure what he meant in this respect.

[*English*]

Mr. Gardiner: Madam Speaker, it would seem to me that regulations governing the routine inspection of trains is something that should be governed by the National Transportation Agency. After this, I intend to pass on the concerns that have been raised with me by the Brotherhood of Railway Carmen to the Minister. I am not going to wait for this particular legislation to go through before raising these concerns. I think it is the responsibility of the Minister and the National Transportation Agency to raise those issues with the railroad and with the people who work on the railroad. They should be raised as soon as possible.

Mr. Skelly (North Island—Powell River): Madam Speaker, I must congratulate my colleague from Prince George—Bulkley Valley (Mr. Gardiner) on a brilliant and intuitive speech on the matter of safety. I ask him to enlarge upon his comments and his hope that there will be a boring future for this particular organization. Would he comment in the light of the fact that most of the transportation safety problems in this country today result from the Government's policy of Public Service cut-backs—air traffic controllers, air worthiness inspectors— cut-backs at every level. Cut-backs in the Public Service are a major cause of public safety problems.

The second thing is budget cuts. There is no second runway at Vancouver. They propose closing down weather facilities. They are closing down flight service stations at Tofino. Instead of expanding to meet the rising passage of traffic, the rising number of aircraft, the Government is contracting its services or freezing them and creating an enormous dilemma.

• (1640)

Would he expand on how Government policy is working directly opposite to the safety of the travelling public?

Mr. Gardiner: Madam Speaker, my general comment still stands. I hope a body like this has a boring future and its members do not have a lot to do. Perhaps it will render the clause in the Bill that discusses remuneration as one of the smallest Budget items this Parliament will have to deal with in the future.

It is important that we look at the impact of cut-backs on air traffic controllers. I understand that two years ago departmental officials and others brought to the attention of the Government the concerns they had over transport safety and the problems that would result from all modes with the lack of regulatory authority to watch over what is happening in that field.

There is the example of the tragic VIA Rail accident in northern Alberta that led to an inquiry and produced further information about the need to investigate the problems that exist. I am not suggesting that anything specific happened, but I read the report on the VIA Rail accident and only suggest that it symbolizes the problem we have had with railway safety and safety in other areas. The cut-backs that we may face on April 27 from the Government could put us further in the hole as far as transportation safety is concerned in this country.

Mr. Coté: With respect to the financial conditions, I think resources have increased since 1984.

[*Translation*]

M. Côté: Madam Speaker, I would like to make a brief comment.

I would like to go back to one of the Hon. Member's remarks he made earlier with respect to the independence of this Board, when he stressed the various problems involved in controlling the safety aspect and gave serveral examples.

It seems to me that the very purpose of the Bill before the House is to make the distinction in safety management between accident investigations and enforcement of safety regulations.

The Hon. Member is very critical of both compliance and enforcement where our safety regulations are concerned. I would like to ask the following question: In the present circumstances, how can we have strict compliance with and enforcement of safety regulations when we consider that at the present time, this Board is strictly unimodal and that investigation and enforcement may be a source of conflict of interest?

I will rephrase my question: How can he claim that safety regulations can be followed and enforced today, if the whole purpose of the Bill is to separate the two aspects as much as possible?

[*English*]

Mr. Gardiner: Madam Speaker, I am not sure if I caught all of the Hon. Member's question but I will do my best to answer. First I will deal with having good people on the board to ensure that policies are followed. We should follow a practice that I hope is used by the Prime Minister (Mr. Mulroney), that good, qualified people are appointed to these boards. They should be people who think independently and can be assured that when they are presented with advice and information from various departmental officials they can make an independent decisions about what they recommend. We hope that is what the Prime Minister does when he chooses members of his Cabinet. We trust that the Minister of Transport (Mr. Bouchard) will do that when he considers appointees to this particular board. I hope he will be mindful of my comments about direction and ensuring a broad base of representation on the board. I hope he looks hard to find good people.

The Hon. Member asked how one applies the rules and makes them work. That responsibility comes under the National Transportation Agency. I believe this body should review some of the authority that the National Transportation Agency has, just to see if the rules are carried out effectively on the ground.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I am pleased to participate in debate on Bill C-2, an Act to establish the Transportation Accident Investigation Board, and to amend certain Acts in consequence thereof. Like the Member for Regina—Lumsden (Mr. Benjamin), I too have been here before. Except, unlike the Hon. Member, I had an opportunity to take a leave of absence for four years from the House and observe the work of the Government and the workings and process of the House from the outside. That was good experience.

I was actually pleased when the Government was elected in 1984, because it promised it would consult grassroot Canadians.

An Hon. Member: We did.

Mr. Flis: They say they did. I had the good fortune of being Vice-President of the Canadian Polish Congress for two years. The Government swamped us with requests for input, requests for input on the multicultural Bill, on immigration matters, on transportation matters. What the Government does not realize is that these organizations do not have paid researchers and advisers. They do not have professional writers. Weeks and months were spent responding to the Government's request for input. What was done with that information? Nothing. It wasted Canadians' time.

The Government said it was consulting us and wanted our input, but what did it do with it? It paid no attention to us. If it implemented one suggestion from all these Canadians, then Canadians would say the Government is legitimate. It had all of that input, as it does from Justice Sopinka and the Canadian Bar Association on this Bill, but not one of their recommendations have been implemented. It makes the whole democratic process a farce and the Government should resign now. The first one who should resign is the Minister of Transport (Mr. Bouchard).

In November, 1983, I was the Parliamentary Secretary to the then Minister of Transport whose duty it was to monitor Bill C-163, an Act to establish the Canadian Aviation Safety Board, through all of the parliamentary stages. The Act came into effect in October, 1984. There was much debate at the time about whether the Government of the day should be implementing a unimodal transportation investigation agency or a multimodal board. The consensus of the day was that we should establish a unimodal agency. Of course, the logical travel mode to begin with was aviation, since Justice Dubin's Inquiry on aviation safety made this recommendation. He recommended separating safety regulations from accident investigation and establishing an independent investigating body.

The three Parties agreed that we should begin with a unimodal agency and, when such a board proved to function well, we would move to a multimodal investigating board as recommended by Bill C-2. When one looks at the previous legislation, Bill C-163 and Bill C-2, one sees that in most articles they are identical. Therefore, the Official Opposition agrees with the intent of Bill C-2, as stated in Article 7(1): "To advance transportation safety".

However, the fly in the ointment is that the Canadian Aviation Safety Board is not functioning well, as was demonstrated in the investigation of the Gander crash. To this day, three years after the crash, Canadians do not know the cause of the crash. Five members of the Canadian Aviation Safety Board concluded that it was caused by icing on the wings. Four members suspected that there may have been an explosion on board which had nothing to do with the icing theory.

• (1650)

The Conservative Government demonstrated that it cannot manage a unimodal board. How can it manage a multimodal agency? Why did the Government not call a judicial inquiry to answer the questions raised in the minority report of the four members? Transport Canada, in a leaked document, also did not agree with the icing theory. The Minister of Transport (Mr. Bouchard) flip-flopped in his assessment of the findings on the cause of the Gander crash. With so many unanswered questions, why is the Government rushing this Bill through the House on an urgent basis?

The other week, all three Parties expressed condolences to the families of the victims of the Dryden crash. Had the icing recommendations of the CASB reached the appropriate people, maybe condolences would not have had to be expressed in the House. I see nothing in Bill C-2 that would guarantee that the recommendations of the TAIB will be received by the principal players and implemented where and when necessary. The public and the Public Service working in Transport Canada have lost confidence in the Minister and in the Government.

Less than a month ago, we saw the headlines dealing with this issue. I do not have time to quote all of them, but I would like to share with Hon. Members this headline from *The Ottawa Citizen* which reads: "Senior bureaucrat resigns over air crash controversy". The article reads: "Another senior Transport official, said Lafrance, quit because he had lost the confidence of the Minister and the Deputy Minister. Lafrance also recently told the Minister that the Department had issued special wing icing warnings to all commercial airlines in January. He later admitted his Department had not sent the warning to Air Ontario until mid-March, five days after one of its planes crashed and killed 24 people at Dryden, Ontario".

Now the Minister has appointed Mr. Justice Willard Estey to review the record of the investigation into the circumstances surrounding the Gander crash. The reference given to Mr. Justice Estey was that he could call witnesses who were not heard from before and could call for evidence in addition to going through the existing testimony. I was disappointed when I heard that Mr. Justice Estey will only review the evidence on hand. If he does that, naturally he will come to the same conclusion that the Minister wants; that is, he will support the icing theory.

There were witnesses to incidents just prior to the crash who were not called in to testify. As an example, a truck driver saw a ball of fire under the plane. Will that lead us to suspect that the crash was caused by icing on the wings, or was there an explosion? Why is Mr. Justice Estey not calling this truck driver to give evidence about what he observed?

What is the Government trying to cover up? Were unsafe explosives on board, was it sabotage? The mother of the killed pilot wants to testify before the inquiry of Mr. Justice Estey. Now she cannot. Why not?

How can the Government have the gall to bring in a multimodal transportation Bill when it cannot tidy up its act in one mode of travel? Look at what is happening at Pearson International Airport. People are losing confidence in air travel and in the Government. There is a shortage of air traffic controllers. There is a shortage of inspectors.

Why is there a shortage of air traffic controllers? Not long ago, during my time as Parliamentary Secretary, almost entire classes of air traffic controllers were being failed. Then there was some intervention and the same people re-wrote the exams and passed them. My own son wanted to be an air traffic controller. He wrote the exams and passed them. Six years later, he is still waiting to be called in for an oral interview. That is how the Government is running transportation in Canada.

We have a Government that cannot respond quickly to oil spills caused by marine accidents. We have a Government that is abandoning sections of VIA Rail routes. This is causing low morale, and we know what low morale does. Low morale will lead to more accidents. There appears to be no Government commitment to an adequate, safe transportation system.

Our Party is recommending that we wait for Mr. Justice Estey's findings and then bring in Bill C-2. By forcing the Bill through now, the Minister is putting the caboose before the engine, or does the Minister have a hidden agenda in this Bill? Is he trying to eliminate the four dissenters from the Canadian Aviation Safety Board, four members who truly want to make air travel safer by obtaining the true cause of the Gander crash?

Looking at the expertise of the dissenting members, it is no wonder that Canadians and Americans are placing a great deal of importance on this minority report. Let us look at the qualifications of some of the members who submitted the minority report. Les Filotas has a Ph.D. in theoretical aeronautics. He is the most highly qualified Canadian in aeronautics. Captain Ross Stephenson is a Captain with Air Canada with over 30,000 hours of flying including 9,000 hours on the DC-8. If anyone would know whether to pursue the icing theory or the explosion theory, it would be Captain Ross Stephenson. Mr. Mussallem is an aeronautical engineer who also spent several years as a pilot with Wardair. With experts like that submitting a minority report, surely to goodness the Minister should have called a judicial inquiry right away. Now he wants to deal with a multimodal board. He should clean up his act in one mode first.

Let us look at Bill C-2. Clause 4 establishes a board to be known as the Transportation Accident Investigation Board consisting of not more than five full-time members appointed by Governor in Council. There are nine members investigating one mode and the Bill is recommending that a maximum of only five members shall explore all modes of travel. The Bill goes on to say that the Governor in Council shall appoint as members persons who, in the opinion of the Governor in Council, are collectively knowledgeable about air, marine, rail and commodity pipeline transportation. I challenge the Minister to find five people who are experts in all aspects of each mode.

Clause 5 of the Bill states that the Governor in Council should designate one member of the five to be chairman of the board. Here the Government is appointing five top-notch Canadians to this board and then telling them they are not competent enough to choose their own chairman, that the Minister will do it for them. Sure, the Minister will do it for them because then he will have the chairman in his pocket. That is the problem with the CASB. Mr. Justice Sopinka and the Canadian Bar Association challenged the Government on that clause of the Bill. Government Members are thanking everyone for input. Why do they not use some of that input?

Clauses 9 and 10 of the Bill provide that such employees as are necessary for the proper conduct of the work of the board shall be appointed in accordance with the Public Service Employment Act. That is just a nice way of saying that again the Minister will have a hand in selecting staff.

• (1700)

Under the title directors of investigations and other investigators it states:

> 10(1) From among the employees appointed under subsection 9(1) there shall be—

The Bill does not clarify who appoints these directors of investigations. Will the power lie with the director of education and the chairman, bypassing the wishes of the members? When members ask for more information or ask that certain parts of an accident should be investigated further, will the chairman and director of investigation say: "Sorry, there is no need for it"? That happened in the Gander crash. This is why we are asking why the Government is rushing the Bill through. What is the Minister's hidden agenda?

I would like to compliment the Government on parts of the Bill. For example, I am pleased that the Government built in a review process. Section 63(1) states:

> The Governor in Council shall, in January 1994, appoint one or more persons to carry out a comprehensive review of the operation of this Act for the purpose of assessing its effect on the safety of air—

That is a good recommendation with which we agree. If the Government feels that a review process is important in 1994, does it not feel that there should have been a review process on the Canadian aviation safety Bill? That is why we are suggesting that we should wait for Justice Estey's report.

Before Bill C-163, the CASB Bill, was implemented we had the investigations and the knowledge of Justice Dubin. That is why it was a good Bill. There are many things in that Bill that have to be ironed out, studied, changed, or amended.

When the Minister gave a background to the release of the Bill, he stated: "the Bill tabled today is much improved as a result of these extensive consultations over the past year. The Bill also clarifies the confusion which has arisen over interpretation of the CASB Act with regard to the roles and responsibilities of the chairman, board members, and investigators." This Bill does not clarify that. The confusion is still there, and the confusion will continue to plague the new Board just as the CASB was plagued with this confusion.

As I mentioned in one of my questions, one of the biggest errors that the Government has made in bringing forward the Bill is that it did not accept the recommendations of the Canadian Bar Association and Justice Sopinka. In the document entitled "Review of John Sopinka's Recommendations to the Minister of Transport" and the submission of the Canadian Bar Association to Transport Canada, it states: "The Government's failure to adopt recommendations from two of the most respected sources of legal opinion in Canada opens an avenue to raise serious questions. Many controversial and contradicting events have taken place at the CASB in recent times. These need no elaboration. Why has the Government chosen not to adopt provisions that would have corrected these and gone a long way toward improving transportation safety standards in Canada?"

The Official Opposition agrees with the intent of the Bill. However, we do not agree with the hidden agenda of the Minister of Transport (Mr. Bouchard).

Mr. Belsher: I have listened with interest to the Hon. Member for Parkdale—High Park (Mr. Flis). He makes much ado about the fact that all the recommendations from Justice Sopinka were not used. Nonetheless, a great many people were consulted about the legislation that we have before us today.

There was general recommendation made that it was good to separate the Board from the investigating arm itself so that the Board would function as a board to ask the correct questions of the investigators.

At the time Justice Sopinka was asked for his comments he was not a justice but a very highly respected lawyer. On Section 4 which provides for five members, Justice Sopinka stated that he agreed that the Board was too large. There should be at least one member from each mode of transportation so that at least one person with experience in each mode can be appointed.

For a five-member board the composition should be aviation, two; marine, one; railway, one; commodity pipeline, one; making a grand total of five. Therefore, it is false to give the impression today that we have not been listening to what Justice Sopinka has said. Certainly, all the recommendations of each individual person who reviewed the draft Bill were not followed. However, by and large the thrust of them were. I am glad to hear that both opposition Parties have at least said that the thrust of the Bill was in the right direction.

Mr. Flis: I still stick to what I said about not accepting the recommendations of Justice Sopinka and the Canadian Bar Association. That was already in the Bill, and it was not a recommendation from Justice John Sopinka.

I would like to answer the Member with a rhetorical question. How can a board of five be operated when all that is needed for a quorum is two members? Again, this Board of five members will have the same problems as the board of nine members under the Canadian Aviation Safety Board.

Mr. Skelly (North Island—Powell River): I am pleased to see the Hon. Member for Parkdale—High Park (Mr.

Flis) back in the House after his sojourn. His contribution in a previous Parliament was notable.

I would like to ask the Hon. Member to respond to suggestions that the purview of the committee should be expanded somewhat. There is a definition in the aviation accident area that aircraft is too limited. There have been suggestions that sport parachuting should come under their purview. The ability to investigate accidents involving military aircraft doing aerobatic demonstrations in public areas, hang-gliders, and ultralights where there have been a number of deaths in Canada, is a regulatory vacuum area.

Would the Hon. Member like to comment on the example of sport parachuting where the government restraint program has wound up cutting the Canadian Sports Parachuting Organization out of the umbrella group? It has lost its funding and lost its technical adviser, making the sport somewhat more hazardous. Yet there is no over-all investigative body. How would the Hon. Member approach expanding that section to a little broader examination of safety questions?

Mr. Flis: I thank the Hon. Member for those kind comments. That is why it is always a pleasure to return to places like this.

The comments of the Hon. Member agree with what I have stated. The Government does not appear to have a commitment to safety in transportation. What can a captain who has been flying nothing but jumbo jets know about gliders? That sector of sports and transportation should be represented.

Is it represented in this Bill? No, Madam Speaker, it is not. This is something that we should raise in committee. I hope the Government does not attempt to bulldoze this Bill through committee as quickly as it is attempting to force it through the House.

I stress that we should be waiting for the recommendations and comments of Justice Estey. We should consider representations such as those we have heard from my colleague in the New Democratic Party.

• (1710)

We agree with the intent of the Bill, to make transportation safer. Let us work together in committee. That is why I enjoyed the transportation committee; when we got out of this place we sort of put aside our partisanship politics and we tried to work together to improve a Bill.

Some Members of the House will recall that the Canadian Aviation Safety Bill went through quite quickly, but there was that agreement too. Let us see if a unimodal board will work. If it does, let us expand it to involve all modes of transportation. Maybe the Bill is okay. Maybe the Canadian Aviation Safety Board is okay. Maybe the fault lies in the incompetent Government opposite.

Mr. Skelly (North Island—Powell River): Madam Speaker, I have another question for the former Parliamentary Secretary who is knowledgeable in these areas. The problem is that the development of aviation safety is based on the Government responding to the recommendations of an accident investigation agency and the failure to do that because of cutting of personnel, cutting of budgets and basically almost leaving the private sector to handle many of these things.

I would like to make a suggestion that has been made to me, that the Transport Committee should immediately have the report of these agencies referred to it, that the Transport Committee should be monitoring the recommendations and the implementation of the recommendations, and that it should be required to present a report to the House of Commons on implementations of recommendations put forward by the safety agency.

How would the Hon. Member respond to that suggestion which has been brought forward on a couple of occasions, that monitoring must take place and a report to the House from one of its own agencies rather than the Public Service?

Mr. Flis: I think if that were implemented, Madam Speaker, what it would avoid is what happened in the Dryden crash where Air Ontario got the recommendations five days after the crash. I think we need a better watch-dog on transport matters, and what better watch-dog than the Transport Committee.

Mr. Skelly (North Island—Powell River): I have one short question for this knowledgeable individual in this area if he is willing to share his expertise with the House of Commons.

In the United States there seems to be a trend and a discussion in Congress of breaking off the FAA from the Department of Transport in order to give a higher priority to aviation in the sense that it can compete for its resources and regulatory changes as almost a depart-

ment, rather than a subsidiary group of an enormously large department.

There has been the suggestion made that this multimodal approach is almost going in a direction counter to where it should be going, that the problems of the Canadian Aviation Safety Board should be resolved by legislation and changes, **and** that a unimodal approach should be continued and enhanced rather than amalgamating it all into a very narrow board where they would have to compete internally for resources in each area and then go forward to the Ministry and to the Government to compete for a much smaller piece of the pie.

Is he familiar with the fact that there is talk of breaking the FAA out in the United States into a separate agency and allowing in Canada almost a move in the opposite direction of trying to integrate aviation and the other forms of transportation together in a much smaller body where they would be much more limited?

Mr. Flis: I thank the Hon. Member for the series of questions. I do not think that following trends that are happening across the border is always the correct direction to go. I think deregulation took place much faster in the United States than in Canada. We recommended deregulation. It was a limited regulation which we monitored to move slowly. Unfortunately, when this Government got in it just opened the doors and let the airline companies dictate regulations. This is why we have such a mess at Pearson and so on.

I think we are going in the right direction with a multimodal Board, but I think we have to make sure that we have more resources. I hope the Government does not think that it is going to try to operate a multimodal board with the same people resource and the same financial resources as they did for a unimodal board. I give the Minister at least that much credit for his thinking.

We can proceed in the direction we are going, but we should do it a little more slowly. I think we should wait for Justice Estey's recommendations. Maybe after we hear from him we may have to seek further information. Maybe we have to ask for a more in-depth inquiry such as the inquiry by Justice Dubin.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for North Island—Powell River.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, it has been an interesting debate to this point in time. It certainly raises many questions in the House that cause us all great concern. The whole question of safety in transportation is foremost on the minds of almost everybody in this country at the rate that we move here.

I am often surprised that highways are not the greatest national concern, considering the carnage and destruction on highways. Yet we as a national legislature pay very little attention to what causes the greatest number of deaths and injuries and destruction of property in this country. We spend an enormous amount of time on the others not without justification, but certainly it is always surprising.

I personally have misgivings about the Bill before us today. I think that by moving into a multimodal approach, especially with the experience that the Hon. Member for Parkdale—High Park (Mr. Flis) referred to, there has not been great success with handling that approach and there is the suspicion that it is going to be there to submerge politically embarrassing issues rather than to serve the needs of safety.

Next, we should not lose sight that safety is a multifaceted thing, from the aviation point of view, the people who are involved in air regulation, air worthiness, personnel licensing, people involved in enforcement, air navigation, airports, all the way down the road. However, when something does go wrong in the system, the bottom line is the accident investigation group. They are the ones who take a look at the failure of the system, where it occurred. They examine it impartially, without finding blame but just to find out what went wrong, and then refer it back to those other safety agencies to rectify the situation.

Ultimately when there is an error in the system we cannot shy on the resources. When the Dubin commission started there was a profound belief that government was politically interfering with the results of aviation investigation, to the extent where it was suggested in this House, in committee, and in many other forums that the air administrator of the day was in fact rewriting the accident investigation reports when he did not like them, before submitting them to Parliament or to the public.

I think that day has changed considerably with the Canadian Aviation Safety Board and Justice Dubin's inquiry and recommendations, the attempt to give independence to that Board. Another about the Aviation Safety Board is that there really seems to be a severe problem of personalities in that the Board has not been able to take up the challenge and resolve the personality issues involved in it so that it can move forward over a couple of nasty accidents. We as legislators and Canadians should see it in the broader perspective that the

Board in its short growth period or period of adaptation in fact has done a good job over all.

It has handled hundreds if not thousands of cases without controversy, without problem. It has given good recommendations and in fact did the job. It certainly hit a major stumbling block with the Gander investigation. When it comes down to the bottom line we have to ask: Can it be expected to answer all the questions?

Out of the Gander investigation certainly procedural changes will follow. There may be new investigative techniques to create retrospectively a situation that will help us come forward with a solution. There were certainly security questions at the other end. Whether there was a bomb on that aircraft was not the issue, but certainly the security to stop the potential for it occurring was resolved.

Everyone involved in that Gander crash learned something about it. Indeed the Safety Board learned something about it as did those who investigated it. Unfortunately it probably means the end of that organization as a result.

• (1720)

There is a lot of concern about the name of the board. It should be called the transport safety board or something along that line to enhance the idea that the board is there to prevent accidents and to promote safety and that the bottom line accident investigation is about safety. The job is not only to investigate accidents. It is to investigate near misses and listen to suggetions that could in the future cause problems if not investigated.

We should be expanding the terms of reference of the Bill, particularly on the aviation side. Members of the Canadian Sport Parachute Association suggest that the Board should investigate parachute accidents because some of them have involved inferior, faulty equipment or not up-to-date equipment. The Board should be making recommendations so that operators are use up-to-date teaching techniques and the most advanced equipment to ensure safety in ultralights, hang-gliders or balloons. There is a whole host of things not strictly classed aircraft so we should have expansion of the Board's purview.

I come back to the parachute situation. The Government turfed the Canadian Sport Parachute Association out of the Fitness and Amateur Sport umbrella, cutting funding and, as I understand it, making sure that the organization could not continue to hire a technical advisor to make the sport safer. The direct result will be an unsafe situation with more fatalities.

I have mentioned the Transport Committee. There is a problem monitoring. If these boards continue to investigate accidents and make recommendations for implementation, who does the monitoring? The Minister through the Department of Transport authorizes monitoring. Information and implementation recommendations go to the Minister. If the Government is in a restraint mode, cutting personnel, resources and the budget, people will not hear about anything nor will they be able to raise the matter with the Government.

We should ensure that every report is referred to the Transport Committee to monitor the implementation of the recommendations. Thereafter the Transport Committee should be required to report to this House so that if the recommendations are not implemented there can at least be a public debate in a public forum about the lack of responsiveness toward it. Otherwise the whole system collapses. When there is an accident, the Board investigates and says the probability of having that accident occur again will be reduced by these changes. The Government says that they only happen once in a while and it is too expensive to implement so it will not do it right now, that no one can monitor that situation, but if the Transport Committee does it we would have a much safer situation. I urge the Committee to consider that suggestion.

Throughout the afternoon I have raised with a number of my colleagues in this House the problem of restraint being the major problem in transportation safety. On the one hand we have a conundrum which the Government has created by opening up access to promote transportation services through deregulation. There has been encouragement in the private sector to own and operate private aircraft. In centres like Toronto, and in Vancouver particularly, this expansion has created a nightmare because the Government has failed to put in the facilities required. Vancouver desperately needs a second runway. It needs air space reorganization. Vancouver is

about 20 to 40 controllers short, and Toronto is about 60 controllers short.

Toronto has had to modify procedures to make its runways safe because there are not enough controllers to do it. That is strictly restraint. The Government on the one hand asks everybody who wants to provide avaiation services to come in, and there has been a whole blossoming of new entrepreneurs in the aviation business. On the other hand the Government is not willing to provide the resources, namely air traffic controllers, air worthiness inspectors, maintenance people, adequate airport facilities, adequate navigation facilities, and adequate weather facilities. The Government is also talking about cutting a flight service station at Tofino. There is no other opportunity on the other side of the mountains on the west coast of Vancouver Island to get flight services, weather reports and some assistance if one is in difficulty. I urge the Government not to cut that service. Here is the great contradiction and it is time the Government woke up to it. If it is going to encourage a rapid, dramatic expansion in aviation as a result of deregulation, the Government must provide services and the resources to make sure the expansion is carried out safely.

This new multimodal Board is to be made up of five people. Many are saying the board membership is too small. I for one cannot see how a board that size can in any way give proper direction to four agencies—air, marine, rail and commodity pipelines. There are a number of aviation incidents, as I understand it, backlogged in the Canadian Aviation Safety Board. It does not have the resources to move them forward quickly enough to get the investigations done and the process out. We are looking at a far greater board with a potential for part-time members. When we talk about five people doing the task, it is impossible. Everything will be backlogged. If there is a single problem with a single accident and it is referred back, the whole system will be tied up.

There is also a problem with the Board in terms of competition for resources internally which could rip it to pieces, say the background of each of the board members, one from commodity pipeline, one from rail, marine, air and maybe the chairperson of the committee will double up with somebody else. It is a concern that there will be disproportionate allocation of resources as louder voices get those resources. Fights will begin on the Board. There will be lack of agreements, and further personality breakdowns that we have seen with the present board. The Board should be bigger, and it should have the capacity to deal with reporting accident outcomes and recommendations in a timely way. With a board made up of five people there is a great deal of skepticism that this can take place. Is there a need to proceed right away on this issue?

The query by Mr. Justice Estey into the Gander accident will likely provide us with some excellent insights into the dilemmas faced by the Canadian Aviation Safety Board. Once we have had an opportunity to look at that report, we will be in a better position to deal with this Bill. We have not had wide consultation on the Bill. The Bill has been changed. There are other people with lawyers looking at it who want to come forward with views. Since there is such a broad area of subject matter, we should move this Bill to committee now before giving approval in principle. We should allow the committee to take a look at the subject matter so that those who want to appear before the committee to make their points and proposals for changes to be made can do so.

If changes have to be made as a result of Mr. Justice Estey's report and as a result of the subject matter study, why can the Bill not then be brought back in, in a redrafted form, by the Government, given approval in principle, and moved quickly through to second reading? I agree with previous speakers that we should not be jamming this Bill through quickly.

Who will this committee report through? There was an indication in the speech of the Minister of Transport (Mr. Bouchard), and I do hope it is the case, that he will not be the Minister of the Crown responsible for it. We hope it will be the Minister of Justice (Mr. Lewis) or some other relevant Minister who takes the responsibility of reporting this to the House of Commons. The Board can then have the true appearance of an arms length situation and we do not have the suspicions that Transport is once again dabbling in the internal workings of the transportation safety system or the transportation accident investigation system. It is critically important that whichever Minister of the Crown reports to the

House, it not be the Minister of Transport (Mr. Bouchard).

• (1730)

At this point, I would like to draw my remarks to a close. I think that the name of the board should be changed to the Safety Board, since that is what we are trying to enhance. The Minister of Transport should not be the one responsible for reporting this Bill to the House. It should be someone else, such as the Minister of Justice (Mr. Lewis). I think the Transport Committee should be charged with the responsibility of monitoring the implementation of those recommendations, not for just receiving the report but having the responsibility for making a report to Parliament annually concerning the implementation of those safety recommendations.

With respect to the restraint program, the Government has to get its act together. There cannot be on the one hand unbridled deregulation and, on the other, the cutting of personnel budgets and services. That will make the situation a worse nightmare than it already is.

I return to the situation at Toronto Airport, which is about 60 controllers short. In Vancouver the situation will not resolve itself until after 1990. There is also a desperate need for a parallel runway there. I believe this is the only airport in Canada where there is an intersecting runway situation. Two airplanes can be cleared to land on the same runway and should both overshoot then the contract they have signed not to encroach on other people's runways becomes void. Two airplanes will fly at each other because of something that may have occurred on a runway. It is an absolutely ludicrous situation and potentially very dangerous. The airport has to be upgraded. The airspace has to be reorganized to make it an operationally safe place. The main point is that it needs the human and physical resources to carry that out.

[*Translation*]

Mr. Richard: Madam Speaker, I would just like to comment on the reference by my Hon. friend to the number of members on the Board. He said that five members was not enough. But it says in subsection (2) that the Governor in Council shall appoint as members five persons who are collectively knowledgeable about air, marine, rail and commodity pipeline transportation.

Fortunately, not many transportation accidents in Canada require an investigation of that caliber. And I wonder what the Hon. Member means when he says we don't have enough members. How many people would he like to see on this Board, since we have people who are specialists in each field?

[*English*]

Mr. Skelly (North Island—Powell River): Madam Speaker, I am absolutely astounded by the Hon. Member's comment. First, there are thousands of accidents, incidents and occurrences. If someone does not investigate and draw a conclusion as to why they occur and then make recommendations for the situation to change we may find much larger and more serious accidents occurring. This board is not going to just look at accidents. I hope it will be looking at occurrences and incidents that have not become accidents.

As an example I refer to a near-miss between two jetliners. We must consider what created the situation. The potential is for 500 people to die if it reoccurs. We are not simply looking at accidents. Luckily, we do not have a large number of Ganders or Drydens. But we do have situations on almost a daily basis in cities like Vancouver and Toronto which, if they escalate, will have the potential for becoming major accidents. This is what I see the board becoming involved with.

I would see the number of members on the board being doubled. If we are looking at accidents or incidents involving rail, marine or air transportation, one good accident will likely take the single board member with the expertise in that area. What if we were to have something the same size as the oil spill at Valdez? That would be the end of our marine investigator for a good long time. What would then happen if there were another marine accident?

The point is, what if one of these people gets sick and the one with the key expertise is not able to be present throughout a major part of the investigation? Would the investigation be shelved? Would the person come back after the report is written and say: "You did this without my expertise. Therefore, I am not prepared to get on board and authenticate it"? An enormous great battle would occur afterward. So I say there are not enough people on the board. I think most people would like to see a larger number. Perhaps the number could be doubled to 10 so that there would be a back-up in the case of a large accident which would take a member of the board away. What will happen if a person gets ill or the backlog gets too heavy?

Mr. Casey: Madam Speaker, I have a few observations to make on the remarks of the Hon. Member. He mentioned restraint. He mentioned one member of the board not being available. But he failed to mention that there will be approximately 300 people employed by the board. There will not be just five people but 300. If one person is away I am sure it would not hurt the board too badly.

The Hon. Member urged the Government not to show restraint in this area. The Government will not be showing restraint in this area. There are approximately 300 people working in this field now and there will continue to be as many. There is no intent to decrease the number at all.

The Hon. Member brings up the too-fast, too-slow question. He says we are going too fast but we are going too slow all at the same time. I heard one Member say that we do not have good enough service and another saying we have too many airplanes in the air. It is a little confusing at times.

One thing that the Hon. Member did not mention is that we cannot stay with the *status quo*. Things are changing. Payloads are changing. Toxic wastes are changing. Volumes are changing. We cannot stay with the old legislation which addressed accidents in the old way. We have to have changes.

This Bill shows leadership. It provides for the necessary changes. There are no guarantees that it will be perfect. But in the legislation there is provision for the requirements to be reviewed after two years to see if they are operating properly. In January, 1995, there will be another review of operations under the Act. Those provisions are built into the Act, so I think it is quite safe.

The Hon. Member mentioned hang-gliders in his remarks. He feels they should come under transportation. That begs the question, should sailboards come under transportation, as well as bicycles and water slides? Perhaps the Hon. Member could answer those questions.

Mr. Skelly (North Island—Powell River): Madam Speaker, I am sorry that the Hon. Member has chosen to trivialize the issue. People have been killed. This is a national problem. In my remarks I came back several times to the parachute association and the deliberate pushing by the Government of that association out from under the fitness and amateur sports umbrella. The immediate response of the association was that it had to let its technical adviser go. Concerning the number of deaths we have had in Canada, people have said to me that if the correct technical advice were there and some mechanism existed to ensure that the operators used modern techniques and equipment, then many deaths would be unnecessary. Anything that the Hon. Member says to trivialize that is unacceptable to me. I am sure he did not mean that.

When I talked about restraint I was not talking about restraint on the Aviation Safety Board or the Accident Investigation Board. What I was talking about is a Government that is criminally negligent by cutting back in its hiring of air traffic controllers for three years in an environment in which it deregulated aviation. We now find ourselves in a terrible situation in many airports, particularly in Toronto and Vancouver.

Someone said that a professional pilot and his family were in the plane that crashed in Dryden. As soon as the plane started off the runway this pilot said: "Put your heads down. This plane is going to crash". I would tell the Government, if we have to look forward to the same kind of management that we had in air transportation and the cuts that occurred between 1985 and 1988 with air traffic controllers and failing to address the problem of the parallel runways at Vancouver, then members of the Government ought to put their heads down because this system will crash.

• (1740)

The Acting Speaker (Mrs. Champagne): Debate. The Hon. Member for London East (Mr. Fontana).

Mr. Joe Fontana (London East): Madam Speaker, I am pleased to have the opportunity to make some opening comments with respect to Bill C-2, introduced by the Government some two weeks ago, an Act to establish the Transportation Accident Investigation Board. I listened with great interest this morning to the Minister of Transport (Mr. Bouchard). His words were, I believe, laudable and sincere. He sang a good tune, but upon review of this proposed Bill, I am not sure he is singing from the same song sheet.

The public has lost confidence in this Government, its boards and agencies, especially as it relates to safety in the air, rail and seas of this country. Safety, safety, safety is on the minds of a confused and troubled public. We on this side for the past four months have spoken about air safety on a daily basis. I would agree that safety is and should be a non-partisan issue. Therefore, I hope this Government will have the political will to put in place a law that will in fact speak to safety for a multimodal transportation network in this country, and how to prevent accidents from occurring. We hope it will be a positive and a pro-active approach as opposed to reactive one, one that speaks of prevention, not only investigation. Changing the name of a board and the members of a board without giving it a clear, independent, responsi-

ble and accountable mandate will not stop one accident from occurring. We need a board that will have the opportunity of reviewing and investigating all aspects of our transportation safety systems, not only to investigate tragedies after the fact.

Safety speaks to preventing tragedies from occurring. Madam Speaker, my colleagues on this side of the House have addressed other concerns, but I wish to address some concerns with respect to Clause 7. It says the object of the Board is to advance transportation safety. It says:

> (a) by conducting independent investigations and, if necessary, public inquiries into transportation occurrences in order to make findings as to their causes and contributing factors;
>
> (b) by reporting publicly on its investigations and public inquiries and on the findings in relation thereto;
>
> (c) by identifying safety deficiencies as evidenced by transportation occurrences;

Madam Speaker, you will note that all of the objects of this speak to advancing transportation safety after the fact. This afternoon, the Minister of State for Transport (Mrs. Martin) indicated a willingness for additional input before the Bill is enacted. The Minister of State for Transport indicated some positive input from various law societies and Chambers of Commerce. But what about the people on the front lines, the workers, the inspectors, the supervisors in our aviation, railroad and marine industries?

Madam Speaker, the most serious problems with the Canadian Aviation Safety Board Act have not been addressed in the new proposed Accident Investigation Act. Strong recommendations by the Canadian Bar Association and Justice John Sopinka, which would have gone a long way to correct these problems, have been rejected and not incorporated into this retread of Bill C-142 which was introduced in July of 1988. The dissension, conflict of interest, the lack of independence are simply being transplanted into this proposed new board. So much for public input. Both the chairman and the director of investigation seem to have too much power in respect to the board, a board of only five members that must be knowledgeable on all aspects of air, rail, marine and pipeline.

We on this side of the House are prepared to work with the Government, but this new multimodal investigation agency must be of the highest standard, employing top Canadian experts and independent of the Minister. The public will not settle for anything less.

In July, 1988, the then Minister of Transport said:

> The National Transportation Act places safety at the top of our objectives. The Government takes this commitment seriously.

Since then, Canadians have witnessed incident after incident in our aviation industry and on our railroads. We still have shortages of air traffic controllers, a shortage of inspectors for aircraft and railroad rolling stock. The Government must not wait for this Act to be passed before putting in place those actions necessary to restore public confidence and public safety. Let us hope that this new board means more to the Government than merely a new name, a new face with an old mandate. Let us hope we are not replacing the board with a transportation czar that merely wants four rubber stamps for the Minister. We on this side of the House are prepared to take on the challenge of really coming to grips with all the real problems if the Minister and the Government are willing to do so. Thank you.

The Acting Speaker (Mrs. Champagne): Questions or comments? The Hon. Member for Fraser Valley East (Mr. Belsher).

Mr. Belsher: Madam Speaker, in listening to the Hon. Member and also the Member that spoke before him, much has been made about the name of the Bill by the word "safety". Really, the reason the Minister has not chosen to put the word safety into the Bill is because it would give a different connotation as to what the Board is all about. The name Transportation Accident and Investigation Board reflects more precisely what the principal activity of the board is in its investigation of accidents. The use of the name safety, such as Transportation Safety Board, would give the impression that the Board's mandate is actually wider than it really is.

The main objective of the board is investigation of accidents, and it is to make recommendations to improve transportation safety in all modes. The responsibility for implementing the improved safety regulations lies with the Minister of Transport (Mr. Bouchard). It is he, not the board, who is responsible for the safety and the regulations that go into that.

So why the Member keeps harping about the word safety having to be in the name is really sending out the wrong message. We want a board that will review what the investigators are doing, to make sure they have asked the right questions to make the recommendations to the Minister as to what regulations should be improved.

Mr. Fontana: I am not sending the wrong message. In fact, I think the message that I and my Party are sending is that safety should come first.

Some Hon. Members: Hear, hear!

Mr. Fontana: If the Hon. Member is suggesting that the Minister of Transport is ultimately going to be responsible for all safety action in the air, on the railroads and on the seas, then I think that is really asking too much of the Minister. I heard the Minister of State for Transport (Mrs. Martin) suggesting this afternoon that there has to be a separation between investigation and safety. I, and I believe our Party, do not agree with that position. I believe that prevention is where the Government should be going. This board should put its stock in prevention so that we can act before tragedies occur. Surely safety, prevention and investigation of those things that make a system unsafe should be something that this board should be looking into. I hope the board, and through the committees, we are able to develop a clear mandate so that the board can investigate accidents after the fact as opposed to being pro-active and looking at ways of preventing things from occurring because of bad safety practices of an agency or company.

Some Hon. Members: Hear, hear!

Mr. Skelly (North Island—Powell River): I would like to ask the Member to respond to a comment that says regional safety officers of Transport Canada should in fact be moved out of Transport Canada and placed under the auspices of this board in order to continue the arm's length relationship between safety and some of the enforcement practices of Transport Canada. There have been suggestions that the safety officers could be more effective if they were seen, not as enforcement officers, but officers responsible for education in the promotion of safety. There is a bit of jading of the response. I would ask the Hon. Member how he feels about that. Secondly, when they are talking about the mandate of the board, it is to deal with aviation occurrences, which is designated as any accident or incident involved in the operation of an aircraft.

• (1750)

It is contemplated that the Board will look at incidents, not just accidents, that can be used to develop and improve safety. I would like the Hon. Member to comment on whether the regional safety officers should be placed under the auspices of the Transportation Safety Board rather than Transport Canada.

Mr. Fontana: Madam Speaker, the Hon. Member who spoke before me talked about prevention. Obviously, his idea of the regional officers being responsible or associated in a preventative way could be considered by the committee. That is a positive point we would consider.

I want to make a comment to him with respect to occurrences being defined as incidents. Let us be clear. If that is the intention of the Government, that is exactly what it should spell out as a clear mandate. The last thing we need is another board that is confused by its mandate and what it can or cannot do. If it is possible for it to investigate possible incidents or things that are brought to their attention by a railroad worker or someone in the industry who finds something unsafe, then let us be clear in the legislation. Let us put it in.

I believe he was talking about prevention. I think the board has to be much more than essentially an investigative arm of the Minister of Transport (Mr. Bouchard). I think it has to be pro-active and look for prevention.

Mr. Belsher: Madam Speaker, if the Hon. Member would examine the legislation he would see what the scope of the board's mandate really is. The board may exercise its mandate for any of the modes we talked about. It is free to decide the extent of any investigation and how different investigations will be conducted. It can decide, for example, if a public hearing is to be held on an issue. It will set the rules of how the investigation should be held and what should be taken.

When it comes to carrying out the recommendations to see that they have been followed, that is the responsibility of the Minister himself. The board is the one that carries out the responsibilities. It has the mandate. That is what is in the legislation.

The board has exclusive jurisdiction to investigate the transportation occurrences for any of the modes involved, marine, air, railway and commodities transported by pipeline.

Mr. Fontana: Madam Speaker, I look forward to the Hon. Member's work on the committee, to essentially spell out what in fact he has indicated. I do not see that in the Bill. Perhaps there is a way of clarifying the issue.

I am sure that all Parties in the House have one mission, which is obviously to make safety paramount in the air, on the rails, on the seas and especially with respect to pipelines. If there is a way of clarifying that mission, that he believes the board has, then I and our Party are prepared to support it. Let us clarify it so there are no questions afterwards about what this board can or cannot do.

Mr. Comuzzi: Question.

The Acting Speaker (Mrs. Champagne): Unfortunately, I cannot recognize the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi) at this time. Resuming debate.

Mr. Rod Murphy (Churchill): Madam Speaker, the legislation before us today is very important. We know there have been a lot of problems under the existing board. There has been concern with regard to political interference as well as controversy with regard to how the board is working in relation to the staff. I am concerned that this legislation will not resolve any of those problems.

We know that there must be a competent board that can study the situation. We have to know that the people who are appointed to the board are not appointed because they happen to represent a certain region of Canada but have no knowledge about transportation.

My hon. friend, the Member for Nickel Belt (Mr. Rodriguez), points out the fact that although they may be Conservatives does not necessarily mean they are knowledgeable about transportation. Our former transport critic, the Member for Regina—Lumsden (Mr. Benjamin), correctly pointed out earlier today that having someone on the board who admits that their only knowledge about air transport is having taken some flights, does not give much security to Canadians.

I come from a riding where people in a number of my communities have no choice but to travel by air. There are no roads or rail lines and air transportation is their only means of getting in and out of the communities. We know that as a result of deregulation, problems with air transportation increase daily. For example, Canadian Airlines International was supposed to have started its new schedule in my riding on April 2. It admits that it could not implement the schedule on time and, for that matter, has told us it would like to put the new schedule in place for May 2, one month later.

However, it cannot tell me when the planes will be flying to and from my riding. Canadian Airlines International is one of our two major airlines, responsible for flights right across the nation, but it does not even know when it will be flying into communities only two weeks from now.

How can there be any sense of confidence in our airlines when they cannot even plan their schedules as a result of this new climate of deregulation?

Last week our transportation critic released a number of documents in the House of Commons which show that it was known that deregulation would result in the same problems the Americans have experienced. The documents released by my colleague, the Member for Thunder Bay—Atikokan (Mr. Angus), show that the industry and the department knew that safety would be threatened and that, as a result of trying to maintain their profits, maintenance would be an area where the airlines would cut back. That is happening now.

Canadians are very apprehensive about flying. They are very concerned about whether or not we have safety in the air. We hear about near misses at Pearson. We know that if you fly through Toronto you might as well add an extra hour or two to your day and perhaps miss your connecting flight.

We are in a situation where we know the Government has been cutting back. My community faces the same problem. It has been cutting back in renovations at airports and there are air strips maintained by the federal Government which have been unsafe for three or four years. The work has not been done.

A couple of years ago in my riding a PWA jet, as it was known then, could not land safely on the airstrip. That is what we are dealing with now.

I see it is six o'clock. If the Government calls this legislation for tomorrow, I will be glad to take my 18 and one-half minutes left to me at that time.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ABORIGINAL RIGHTS – POST-SECONDARY EDUCATION – STUDENTS' HUNGER STRIKE – BILATERAL PROCESS

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, over the weekend most of the native students protesting against the Government's cut-back to native post-secondary education assistance ended their fast. The Government, more particularly the Minister responsible for Canada's Indian and Inuit people, can no longer put this matter off. It is time for the Government to stand up to its commitment of beginning a bilateral consultative process on the issue.

The Minister for Indian Affairs and Northern Development (Mr. Cadieux) has repeatedly said he is committed to a bilateral consultative process with native leaders. He also said that he is prepared to meet with whoever wishes to discuss the cut-backs and that he is prepared to review the program as soon as the hunger strike ends. It is now up to the Minister to make the first move and to invite native leaders and students to meetings which will begin that process.

• (1800)

It is now time for the Government to show some leadership. It is now time for the Minister of Indian Affairs and Northern Development to negotiate in good faith with the Indian people of Canada on the Native Post-Secondary Education Assistance Program. This must be a priority for the Minister.

Post-secondary education for our native peoples is the key to self-determination and economic self-reliance. The Prime Minister (Mr. Mulroney) and his Cabinet have repeatedly said that the country's future is dependent upon economic development. Does this Government have one opinion for non-native people and a different one for native people?

There are 46 native communities in my riding. Many of them have very active economic development projects in the works which will ensure economic self-reliance in the years to come. Jobs have been created for the people. Welfare pay-outs have decreased. Drug and alcohol abuse is also on the decrease. These results have largely been achieved by people who have been through the post-secondary education system and have returned to their communities with the skills and knowledge to carry out these projects.

By restricting the number of students under the Native Post-Secondary Education Assistance Program, by limiting the funding by capping it at $130 million, and by removing incentives for masters and doctorate degrees, the Government has gone at least 10 years back in time. The changes in this policy will restrict the development of Canada's First Nations and will condemn many of them to continuing dependency on the Government from birth until death. Under this Government, Canada's First Nations people will not achieve self-determination and economic self-reliance. The Government has, in essence, put an end to many young native peoples' futures.

The success stories of the Native Post-Secondary Education Assistance Program are many. Indian and Inuit lawyers, doctors, teachers and administrators, to name just a few, have come through the system. Those who choose not to return to their communities pay taxes to the Government. Canada's native peoples want to make a contribution to society. They do not want hand-outs. They do not want to be totally dependent on the Government.

The Government knows full well that this issue is a long-standing one. Since it first announced its intentions to review the Native Post-Secondary Education Assistance Program in 1987, native peoples have been asking for a full bilateral review. Why has the Government waited until things got out of hand? Why has the Government announced changes to a policy without consulting the people it will most affect? Why must our First Nations resort to hunger strikes to get their message across? It is because this Government and the Minister of Indian Affairs have not been listening to native people.

A bureaucracy, concerned with its own future, is dictating the policies of the Government when it comes to native people. When will the Government learn from its mistakes?

Finally, 10 students have demonstrated their good faith by ending their fast. I call on the Minister of Indian Affairs to demonstrate his good faith by living up to his commitment and beginning immediately a bilateral con-

sultative process with the First Nations people of Canada on the issue of native post-secondary education.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, on April 14, 1989, the Hon. Member for Kenora—Rainy River (Mr. Nault), raised several concerns on which I wish to comment. The Government announced changes to the E-12 guidelines in May 1987 and indicated at that time that a process would begin to develop a new policy. An intensive consultation period began in July 1988 and concluded on December 31, 1988. During this period, meetings were held with over 500 Indian groups and individuals. We received important and useful feedback which resulted in many changes to the draft which was circulated in 1988.

For example, up to 5 per cent of the students will be eligible for scholarships of $3,500 for successful study in a range of programs supporting self-government and economic development. As well, the new policy includes an annual scholarship of $1,000 based on academic achievement.

The Post-Secondary Education Assistance Program which the Government maintains for eligible Indian students is fair and generous. It provides assistance for a range of expenses which include tuition, living allowances, seasonal travel and books and supplies. Some 84 per cent of the students will obtain higher benefits under the new rates for living allowances.

Interest on the part of Indians in post-secondary education has increased steadily since 1964 when fewer than 170 Indians enrolled in university. The program budget reflects these increases. In a letter to the chiefs and councils of March 20, 1989, the Minister indicated that the budget for the program rose from $9 million in 1977-78 to close to $130 million in 1988-89.

The Government is committed to Indian post-secondary education. We have a generous student assistance program already in place. Should an Indian student's application be deferred, it would be given top priority the following year. In such a case, this student, like any other Canadian student, would have access to the Canada Student Loan Program to help offset expenses. In addition, if this student qualifies, there are provincially administered student loan programs and university and college scholarships and bursaries available. Access to a post-secondary education for eligible Indian students is therefore clearly not in question.

In conclusion, the Minister will be meeting in the near future with the chiefs and the students who have ceased their fasting in order to seek resolutions to the concerns raised.

UNEMPLOYMENT INSURANCE—FUNDS REDIRECTED TO TRAINING—EXPENDITURE LOCATIONS—WHITE PAPER—REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I hope I receive a better answer to my question than the one that was just given to my hon. colleague from Kenora—Rainy River. It is interesting to note that very often Parliamentary Secretaries come into the House and give an answer without even listening to what the Hon. Member has said. They read out answers prepared by bureaucrats in the Departments.

On Friday, April 14, I continued to ask the Minister of Employment and Immigration (Mrs. McDougall) questions with respect to changes in the Unemployment Insurance Act which she announced on Tuesday, April 11. On that date, the Minister announced that she was redirecting $1.3 billion from the unemployment insurance fund to other programs. In other words, she was taking money away from a fund contributed to by workers and employers to protect the workers who are put out of work against their will.

Of that money $450 million was redirected to improvements in the Unemployment Insurance Act and we do not have much complaint with that. These are improvements with respect to parental benefits, senior worker benefits, and benefits for persons involved in labour disputes. However, we do not give much credit to the Government for that because the courts of Canada have all ruled that those benefits must be covered. Even though the Government made appeals to higher courts to contest those rulings, it has now seen the light and is covering those things. That is good and we have no disagreement with that.

With respect to $850 million that is being redirected to such things as training, labour resource planning, consultation, apprenticeship and co-operative education, we feel that although these are all good things which should be financed and improved, they should not be financed with moneys from the unemployment insurance fund. This is a new use of unemployment insurance moneys and we object to the use of these funds for these purposes. This is a regressive and inequitable way of funding programs which benefit all Canadians.

The programs that are being funded out of the unemployment insurance moneys do not just benefit the unemployed, they benefit the economy in general. To use unemployment insurance moneys is unfair because it reduces the money available to people who are unemployed and will cover people who have not even paid into the fund.

For example, the program will cover apprenticeship programs, co-operative education programs and entry programs, all of which are excellent programs. However, why should workers who have been paying for years into a fund to cover themselves for unemployment pay for those programs?

This is where there is some misunderstanding. Right now, unemployment insurance moneys are used for training programs but in order to qualify for those training programs, one must be a claimant under the unemployment insurance program, a beneficiary of the unemployment insurance program. Under the new proposals, one would never have to have contributed at all but would still qualify for those programs. We say that these proposals are wrong because labour-intensive industries will subsidize high-tech industries and underdeveloped regions of the country will subsidize developed regions, unless it precisely states in the legislation, which is the question I asked on Friday, that those moneys for training must go to the provinces and the regions where workers paid into the funds and that is not left to the discretion of the Minister.

• (1810)

We also oppose the program because through their contributions workers in low-skilled service industries will be paying to train high-skilled workers.

We object to this program and we want to receive some answers. All last week we asked questions, and today we asked questions. We are not receiving any answers from the Minister with respect to these issues.

I also want to know from the parliamentary secretary why the Minister has now announced that she is going to launch herself on a tour of the country to sell these programs. When I asked her on Friday to refer the matter to the Standing Committee on Labour, Employment and Immigration, in order that parliamentarians from all Parties can also consult with the people throughout the country, the Minister said: "No, wait for the legislation". The Minister is not waiting for the legislation. She is going to be out there using taxpayers' money selling this program to the people in the country. If we are to be fair about this, parliamentarians in the Standing Committee should also be out in the country consulting with the people in the regions who will be affected. I want to hear some answers from the Government.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I am sure the Hon. Member will be delighted to know that he is going to receive just as good an answer this time as he did the last time.

I welcome the opportunity to expand upon the reply given by the Hon. Minister of Employment and Immigration (Mrs. McDougall) to the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) on April 14 last.

On April 11, the Minister tabled a policy paper outlining a major federal government initiative of labour force development and unemployment insurance program.

The highlights include proposals to increase assistance to employers for human resource planning, special help to displaced older workers, more job related training for young people, and more generous benefits for both new parents and workers aged 65 and over. These measures will be financed through a reallocation of resources in the UI program.

A particularly important feature of the strategy is the increased role which is accorded to employer and employee organizations in government decision making about labour force programs.

The objective of the Government is to mobilize a national effort and to challenge Canadian business, unions, provincial and territorial Governments, educators, interested groups, and individual Canadians to give priority to increasing the skills levels of Canadians and finding the best combination of policies, programs, and employment practices to ensure that all Canadians can achieve their potential.

I can assure the House that the combined resources of the UI program and the Canadian Jobs Strategy will be

maintained and used more effectively to help the Canadian unemployed.

The views of Canadians on the new labour force programs will be sought, and their suggestions will influence the final design of these measures. The labour force development strategy is designed to achieve four goals: a substantial increase in the private sector's role in training workers and in ensuring that training is more responsive to current labour market needs; a realignment within the UI program so that more expenditures are directed to active training and re-employment measures for the unemployed; in compliance with the Charter of Rights and Freedoms, a significant improvement to UI benefits, to better respond to the needs of working parents and to encourage the full participation of those workers over 65; and a reduction of work disincentives that are currently in the UI program.

The Government intends to launch a major consultation effort in all parts of the country before implementing the new training programs. Our goal is to take the advice of those who have the greatest interest in the design of training programs, namely, Canadian employees and employers. This process will commence immediately and will continue for the next several months.

The size of the unemployment insurance program will not change, but the benefits available under UI will improve. More unemployed Canadians in all parts of Canada who need training to find good jobs will be able to use their UI benefits while they are on training.

I can assure the Hon. Member that the $800 million in redirected funds will improve the employment prospects of unemployed Canadians in each and every region of the country.

ENERGY – ENERGY ALTERNATIVE PROGRAMS – TERMINATION OF POSITIONS – ALTERNATIVE ENERGY DEVELOPMENT

Mr. Ross Harvey (Edmonton East): Madam Speaker, I cannot cover a lot of ground in a few minutes this evening, however I would like to pose some questions to the Government on energy conservation, alternative energy, and developing a more environmentally sustainable energy future.

There is no doubt that more Canadians than ever before are concerned about protecting the environment. They listened carefully when the Brundtland commission called for major changes to ensure that the environment and economic development are seen as two sides of the same coin. They have followed reports about the damage to the ozone layer, and they take note when scientists advocate sharp reductions in the emissions of carbon dioxide to tackle the greenhouse effect.

The more visible and spectacular environmental disasters, such as the PCB fire in Québec, and the recent oil spills off the west coast, have only reinforced the public's already deep-seated and justifiable concerns about the environment.

By contrast, it seems fair to say that Canada's Government has lagged far, far behind ordinary Canadians and is now scrambling to catch up with public opinion. There is still a huge gap between what the Government says and what it does. The Government's words indicate that it is aware that Canadians are concerned about the environment.

The Government supported the goal of sustainable economic development. The previous Minister of the Environment called for a "fundamental shift in attitudes and practices at all levels". The current Minister of the Environment (Mr. Bouchard) made a brave start by stating that his Department would conduct environmental audits of previously approved projects. The Government's recent Throne Speech spoke of "the environmental imperative", stating that we face "an environmental challenge of unprecedented magnitude" and must strike a "new environmental agenda".

It would seem that on the whole the Government is saying a lot of the right things. However, Canadians are sophisticated and they know that actions speak louder than words. They are interested in looking beyond words to examine what lies behind all the rhetoric.

What does lie behind the rhetoric? Let us look at the evidence from the Department of Energy, Mines and Resources, where a great deal of valuable work on conservation and energy alternatives has been done in the past. What one discovers is a distressing list of program cuts. What are these cuts? I will give a sample. A listing of others is available in a background paper that I have prepared for anyone who wants one. I would cheerfully hand over to the Hon. Parliamentary Secretary a copy for himself and for the Minister.

What did the Government cut? CHIP helped three million families upgrade the thermal efficiency of their homes. It was terminated in 1986. The Canada Energy Audit Program provided help for low cost changes to conserve energy. It was ended in 1986. This Solar Energy

Demonstration Program to develop cost effective applications of active solar energy ended this year. The Remote Community Demonstration Program to provide energy saving advice and financial support to 370 remote communities ended two weeks ago on March 31. The Forest Industry Renewable Energy Program to encourage biomass energy facilities, similarly shut down on March 31. All of those programs and more are gone.

Spending on energy conservation and alternative energy programs declined from $400 million per year in 1980–1984, to $150 million per year in 1985–1987, to only $50 million per year today.

This leads to my first question: What conclusion can Canadians reasonably draw from these massive cuts and the Government's public announcements other than that this Government's main intention is not to tackle today's environmental problems in a meaningful way but rather to conduct a successful public relations exercise merely to try to give Canadians the impression that it takes environmental concerns seriously?

On a more positive note, let us look to the future. When it comes to protecting the environment hundreds of energy related initiatives, low-tech, cheap, easy and effective initiatives, are just crying out for attention. The way to start is clearly by conserving energy. For example, encouraging the use of compact fluorescent lights in the ceilings of public plazas reduces electricity costs by approximately $70 per year and can reduce the need to burn coal and the subsequent emissions of SO_2 and CO_2. High efficiency refrigerators can save approximately $30 per year in electricity charges and can cut coal consumption and consequent CO_2 and SO_2 emissions. R-2000 super energy efficient houses with heat recovery ventilators can cut heating bills in half. Promoting the use of the many alternative energy sources is another area for progress.

• (1820)

Examples include developing the ethanol fuel industry in Canada, using corn, and barley. Other agricultural products and forestry by-products would complement our fossil fuel sources and would provide jobs and much needed economic development in rural areas from the Maritimes to the Pacific. A recent U.S. Congressional study shows that 10 per cent ethanol blended gasoline would also reduce CO_2 emissions.

Another example is actively promoting wind power in Atlantic Canada and in southern Alberta, particularly where the wind streams off the mountains. This simply makes good sense. As a special House of Commons committed on alternative energy pointed out in 1980, the possibilities for alternative energy sources are huge—heat pumps, hydrogen, and photovoltaics. We need not wait in the hope that desk-top fusion will provide yet another technological fix. We should proceed, with vision and commitment to our environment, to make some of these possibilities a reality.

This brings me to my second question: What new programs has the Government formulated, or is now formulating, to replace the massive cuts this Government has made to the energy conservation and alternative energy programs in the Department of Energy, Mines and Resources?

Finally, since my time has all but expired: What plan of action has the Government devised to promote environmentally sustainable energy development in Canada? If no plan currently exists, what concrete steps have been taken to develop one in the near future?

I reminded the Government that Canadians are watching and waiting for substantive answers to these important questions and for action. They do not want even further evidence of inaction or confirmation of their suspicions that this Government is only trying to give the impression of caring about the future of our planet and that that suspicion is unfortunately correct.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I would first like to welcome the Hon. Member for Edmonton East (Mr. Harvey) in his role as critic for the NDP. After his few comments, I imagine over the next period of time there will be quite a few evenings that we will be here together.

Given the recent round of publicity on this issue, I am pleased to be given the opportunity to clarify some of the misinformation that is being perpetrated by various reports. I would like to reiterate a point made by the Minister of Energy, Mines and Resources (Mr. Epp) when he initially responded to the Hon. Member in the House in last week's Question Period on Thursday, that is, that these resource deductions are nothing new. They were announced back in 1985 in an Energy, Mines and Resources planning document entitled "A Multi-Year Operational Plan" which projected reducing resource requirements to the year 1991, given the Government's move away from the costly energy conservation and renewable energy programs announced under the for-

mer Liberal Government's extravagant National Energy Program.

In September 1988 the Government announced the Energy Efficiency and Diversification Initiative Program in support of energy conservation, renewable energy, and alternative fuels for transportation.

The primary objectives of the EED are to enhance Canadian industrial competitiveness, physical environment, quality of life, and energy security throughout the promotion of efficiency and the energy consumption and diversification of energy sources and technology.

The EED is designed to address the kinds of energy and environment issues raised recently in the press and by various Members of the House. The EED initiative is clearly consistent with this Government's commitment to the environment. I make that very clear, Madam Speaker. It is an important energy policy initiative which we feel is a key part of the solution of these problems.

Unlike the programs under the former Liberal Government, EED is based on the principle of co-operation with the industry and the provinces. EED is not a rich giveaway program like that of the notorious National Energy Program. Instead, under the EED we are working closely with the industry and the provincial representatives to obtain a maximum leverage on the EED's dollars. The emphasis under EED is on supporting research and development on energy efficiency and alternative energy and technology for the type that will be critical to dealing with the many environmental problems.

With the current EED which constitutes and focuses on the programs from the old regime there is no longer a need for as many employees to be involved in the administrative work and such matters. Instead, the EED ensures that Energy, Mines and Resources will retain a strong in-house technical capacity in the important areas of alternative energy which in turn will be an important part of the Government's many environmental initiatives.

This Government, this Minister, and every one of us in this House are concerned about the environment. In our Department we will ensure that environment is a very high priority.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Tuesday, April 18, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF JUSTICE

TABLING OF ANNUAL REPORT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table, in both official languages, copies of the annual report of the Department of Justice.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

PETITIONS

MORATORIUM ON DEVELOPMENT OF NUCLEAR ENERGY RESOURCES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege to present a petition pursuant to Standing Order 36 on behalf of a number of constituents who are concerned that scientists in Canada have failed to develop a safe method for the disposal of radioactive waste. They are concerned that Canada's nuclear reactors are already storing significant amounts of spent nuclear fuels.

The petitioners are calling upon Parliament to establish a moratorium on the development of nuclear energy reactors.

REFORMS TO PENSION SYSTEM

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition which points out the fact that 60 per cent of women aged 65 years and over live below the poverty line. The petitioners point out that one out of three women in the labour force has an opportunity to participate in private pension plans.

The petitioners are calling upon Parliament to introduce reforms to our public pension system which ensure that all women, whether or not they are in the paid labour force, receive pensions which allow them to live in dignity.

CANADIAN WHEAT BOARD—JURISDICTION RESPECTING OATS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I have the honour and privilege to rise today pursuant to Standing Order 36 to present to Parliament a petition signed by a variety of farm people from Saskatchewan, in particular Mr. Lowell Monkhouse of Regina.

The petitioners are asking that Parliament instruct the Government not to remove oats from the marketing jurisdiction of the Canadian Wheat Board, and to place oats and barley under the Canadian Wheat Board Act so that in the future Parliament, farmers and their organizations must be consulted before changes are made to the marketing of these products.

The petitioners are asking the Government to back off from its stated intention of removing oats from the Canadian Wheat Board.

* * *

[*Translation*]

PETITIONS

REQUEST THAT NUCLEAR SUBMARINE FUNDS GO TO MEDICAL RESEARCH

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I have the honour to table a petition on behalf of the Farmers' Wives of my riding of Saint-Laurent who ask the federal Government to cancel the construction of two nuclear submarines costing $2 billion each and to invest these $4 billion in research to find cures for AIDS, cancer and cardiovascular diseases.

[*English*]

The same petition is being deposited on behalf of the Beth Ora Synagogue Seniors in my riding.

• (1110)

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Peace River): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Rod Murphy (Churchill): For the last two days, Mr. Speaker, I have been asking the Government when it will start answering Questions on the Order Paper. I have been told both times that it will be soon. I gave notice that I would want a definition of soon today.

Mr. Cooper: Mr. Speaker, I anticipated that my friend would ask this question. I looked up the word "soon" in the world-renowned Cooper dictionary. It says that soon is a block of time of indefinite dimension.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

PUBLICATION OF *HANSARD*

Mr. Nelson A. Riis (Kamloops): I rise, Mr. Speaker, on a point of order this morning. When Members took their seats and opened up their books at their desks, *Hansard* was missing. There has been a problem today. I think most Members want to review *Hansard* before Parliament commences at eleven o'clock. I understand that was impossible to do today, and it has been difficult to do so on a number of occasions. I simply wanted to raise this because for us to do our work effectively and efficiently, it is important that we have a chance to look at *Hansard*. This makes it a little tough to look at it before eleven o'clock, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I would like to advise the Hon. Member that *Hansard* has just arrived, so he will get his copy. We will check to see if we can get it a little sooner for Hon. Members. We will try to expedite it sooner than eleven o'clock or 11.10 a.m.

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD

MEASURE TO ENACT

The House resumed from Monday, April 17, consideration of the motion of Mr. Bouchard (Roberval) that Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof be read the second time and referred to the Standing Committee on Transport.

The Acting Speaker (Mr. Paproski): Resuming debate. When we finished the Hon. Member had 14 minutes left in debate. The Hon. Member for Churchill.

Mr. Rod Murphy (Churchill): Mr. Speaker, at six o'clock last night I was just finishing my introductory remarks on the legislation. I was pointing out our concern with the fact that this legislation really is not doing anything new. All the problems that we have had with the present Board looking into accidents and air safety will still exist under this legislation.

We still do not have any guarantees that the Board will be competent. We have had at least one political appointee in the past who indicated that the only thing she knew about air safety was the fact that she flew a lot. That is not going to inspire confidence in Canadians. We are concerned that this legislation does not require appointees to be competent and knowledgeable about a very important area.

We have read during recent months about the problems existing within the present Air Safety Board; the divisions, the fights between staff and the Board, the fact that there is a majority and a minority on the Board that cannot agree with each other. We now have a new piece of legislation setting up the Transportation Accident Investigation Board when we have not learned from the errors and problems that we had in the past.

Our critic, the Member from Thunder Bay—Atikokan (Mr. Angus) said yesterday that we should have recognized that there is a problem with the existing Board and its structure. We have not done that. One of the things that is objectionable in this legislation is that this Board will not have an arms-length relationship with the

Minister. The legislation specifically requires that the Board report to the Minister with a confidential draft report. We are talking about air safety. We are talking about something that affects the lives and safety of Canadians.

There is no reason for the Minister to have a confidential draft report. The people of Canada have a right to know whether or not the planes are safe and why accidents occur. They have a right to know why people have died. We do not want the Minister to be interfering with the operation of this new Board. The report of this Board should be made directly to Parliament and to the people of Canada. There should be no political interference whatsoever with this Board.

That is one of the problems that we have had with the existing operation. We had people in the Minister's office interfering with the decisions that were made. We had the Board worried about the politics of what they were going to say in the reports. We had the division that we talked about earlier between the Board members and the staff.

Canadians are frightened about what is happening in the air. They are concerned with the fact that there are not enough inspectors, not enough air traffic controllers and they are concerned about the fact that anybody who tries to fly through Toronto knows that it is going to be a disaster. We have had a lot of accidents over the last couple of years. Yet we are not setting up a competent board that will be responsible to the people of Canada rather than the Minister.

This legislation is fundamentally flawed. It is good news that this legislation is being referred to the standing committee rather than the legislative committee because we believe that the people who served on the standing committee in the past know a lot about the problems that exist. They recognize the fact there have to be changes in this legislation.

I hope that when this Bill goes to committee there will be changes. I hope that the government members, many of whom are from ridings that are concerned about air safety, many of whom recognize that there are problems with the existing Board, take their responsibility very seriously, and not think that because they are government members they have to support the Minister. There are flaws. We are talking about an issue of safety. We are talking about making sure that our planes are safe, that people again have confidence with regard to flights, landings, air traffic control, icing problems, that they are confident in what is going to happen. People are frightened now.

I see that the Parliamentary Secretary is here today. As a Parliamentary Secretary, he is not eligible to sit on the committee. However, I am sure he will be sitting in the wings and watching the progress in the committee. I hope that he will take a message back to the Minister and back to the Cabinet indicating that this legislation, as it stands, will not resolve the fears and concerns of Canadians.

There have to be amendments. As New Democrats, first of all, we want to make sure that there is removal of political interference that has existed with the CASB. We want to make sure that the members of the Board are chosen from a list of candidates proposed by interested parties, proposed by those people who have some knowledge and understanding with regard to air safety problems.

We are saying that is the approach that should be taken rather than having more political appointments, rather than having the President of the Conservative Association of Edmonton East, Edmonton West, Vancouver, Sault Ste Marie, Saskatoon, Clark's Crossing or whatever the rest of them are called. We do not want the presidents of Conservative associations any more. We want competent people on this Board. There are interested and concerned groups who are concerned about air safety who could put a list together of competent people. The Minister could pick from that list. That is an approach that should be used for a lot of boards, especially when we are talking about something as complicated as air safety.

• (1120)

Let us take the political appointments, the slush funds and everything else out of air safety to make sure that the Board will be competent. We indicated earlier that the Board should have an arm's length relationship with the Minister. We must no longer allow the Minister to receive a confidential draft report. People should feel confident that when the Transportation Accident Investigation Board has made its report, it was not a political decision, that the Board was competent and made its decision on the basis of its investigation, rather than on whether the Minister liked the draft report.

There are very important considerations that we believe must be addressed. We hope that at the committee stage, during clause by clause study, we are in a situation where government Members will accept those types of amendments.

We also want to ensure that access to the findings of the investigation is given to all interested parties. We do not want some closed door, behind the scene investigation. If there is an investigation into an accident, not only should the report be made public, but informational documents should be made available to those people concerned. That is the only way to have any faith that the investigation was thorough and it is the only way that people who are directly concerned with an accident will know what process the Board went through, what information was given to the Board and perhaps what information was not given to the Board.

It is ironic that many years after the tragedy at Gander we still do not know what happened. We do not know why the accident occurred. It is ironic that after all this time, a judge has been asked to look into the investigations that took place so many years ago. If we had the amendments we are talking about now, that would not be necessary because the report would be made not just for the benefit of the Minister but also for the public who would have access to the background documents. We believe this legislation could be improved by making sure that information is given to the public.

We also believe that the structure of the Board should include some constitutional autonomy from political interference. We believe that is necessary and what Canadians want after all the problems we have seen in the past.

We support the Bill in principle. We do not like certain aspects of the Bill. Our critic and former critic pointed out the areas where we believe there should be improvements. However, we believe the Bill is necessary and should not be stalled. We hope that at committee stage the Government will be willing to accept the amendments we outlined earlier.

Ms. Mitchell: Mr. Speaker, I thank my hon. friend for his knowledgeable comments. He is a northerner who very often uses small planes in the course of his duties. I think of the people in the rural areas, certainly on the islands along our coast and in the territories, who rely on small planes, often charter planes. What is his opinion of the safety record of these aircraft?

The dramatic accidents we have been so concerned about are connected with larger aircraft. However, we remember what happened in Alberta when Grant Notley and others were killed in an accident involving a small plane. Does he have any other ideas how safety can be enhanced for small aircraft in particular?

Mr. Murphy: Madam Speaker, I thank our deputy whip for her question. It is a very good question and it gives me an opportunity to talk about some of the concerns we have with regard to small aircraft and the problems that exist not only in my riding but in other areas which should qualify for the northern tax benefit. Thanks to the Hon. Member for Prince George—Peace River (Mr. Oberle), who did not do a very good job in Cabinet for his constituency, they do not qualify.

We know from the first Dubin inquiry that there is a real problem with small planes and regional carriers. Safety is often a minor concern. Often planes are overloaded and maintenance is not kept up. I know from the tragedies that have taken place in my riding that there are too many deaths, too many accidents that could have been avoided had there been proper inspections to ensure that safety was not ignored because of the profit line.

I have flown in planes which I am not overly confident should have been in the air, and I have said so to people. I am also concerned that one of the areas that the Government has cut back over the years is fire-fighting service at airports. It has cut back in the services for smaller airports across the country, especially in remote areas. I know that our critic will expand upon that today, and point out that there is even more information coming out to indicate that the Government, in its desire to cut back the deficit is cutting more money from fire-fighting and those very essential services we need at our airports in Canada.

There is a problem relating directly to the question by the Hon. Member for Vancouver East (Ms. Mitchell), where many of the small companies working in the North, the Vancouver Island area, northern Ontario, northern Saskatchewan and the interior of British Columbia are not being inspected. Quite often, safety is being threatened because those companies want to keep the planes in the air much too long. We also know that there is a real problem due to the Government cutting services to those airports throughout the country. Every time it cuts back one more fire-fighter, every time it cuts

back on a position and takes away an ambulance or fire truck, every time it refuses to spend money to renovate an airport or maintain an airstrip, people are being put at risk. That is one of the tragedies of the cut-backs being implemented by the Government.

Mr. Cole: Mr. Speaker, I have a question with regard to the reporting mechanism. The Bill states:

> —the Board shall, on a confidential basis, send a copy of the draft report or its findings and any safety deficiencies that it has identified to the Minister of Transport and to any other Minister or person who, in the opinion of the Board, has a direct interest in the findings of the Board,—

Is the Hon. Member suggesting that those people who have commented on this question and taken part in this investigative process should not be given the opportunity to see that their facts as they have related them have been reported correctly? Should people within the industry, the pilots and air traffic controllers who have witnessed incidents, not be given the same opportunity as any other person involved in the investigative process, including those in the ministry? I would suggest that union officials, pilots involved or other members of the industry should all receive the report as suggested in the Bill. They would then be able to make comments on it before it became public.

• (1130)

Mr. Murphy: Mr. Speaker, as I said earlier, we have no problem with having those who are directly involved or concerned with an accident being informed. As Hon. Members probably heard me say, we believe that those documents should be made available to those people. Our concern is that for some reason, we are putting this in a category which creates political interference.

We understand that, as suggested by the Hon. Member, the pilots, union people and those involved in the investigation should have access to those reports and should perhaps help to amend the reports where necessary. However, that same argument cannot be made for the Minister's office. That is the same problem we have had in the past. We do not want political interference in what should be a quasi-judicial system.

I have served as a vice-chairman of the Manitoba Police Commission. I know how important it is for these bodies to have complete independence from political interference. That is why I believe this legislation is flawed. I know that as soon as a board has to report to a Minister, before it puts its final report out, the focus of the board will no longer be on the accident and the investigation of that accident. It will become a political concern because it is reporting to a political master. That creates a real problem and I have seen it before in my own life.

We have to make absolutely sure that this Board is separate from the Minister. One problem with reporting to the Minister before the report is made final is that quite often, it is the Minister's Department that is at fault. Perhaps there were not enough officials involved, no one checked into something or there were inadequate services provided. We are talking not only about a Minister who is responsible for air safety but about someone who, through his Department, may be the offender, the one who may be the guilty party, the person who is actually responsible for the accident. For the Board to have to give a confidential draft copy of the report to the Minister beforehand takes away any semblance of a quasi-judicial system. It puts political interference exactly where it should not be.

We know that many of the accidents have occurred because the Department was not up to snuff. We know that some of those accidents have occurred because the Department was not doing its job. We know that some of those accidents have occurred because of cut-backs in the Minister's Department. How can we possibly trust that Department to police itself? The Board is supposed to be independent. Let us keep it that way.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we have before us today Bill C-2 which represents an essential building block in Canada's regime for maintaining and improving the safety of our transportation system. The Bill is based on a most important principle which is that the accident investigation should be done separately from the writing and enforcing of safety regulations. Both functions are crucial if we are to have a safe transportation system.

Writing effective safety standards and regulations requires predicting what might go wrong and how best to prevent it from happening. Enforcing those standards involves monitoring of the safety procedures of transportation companies and, through independent inspectors, requires knowledge of the standards and how they can be implemented effectively.

Accident investigation, on the other hand, is a rather different story. Obviously, if an accident occurred, something went wrong. If an incident occurred, something almost went wrong. The job of accident investigation, then, requires identifying what went wrong and drawing lessons for the future.

What went wrong can involve a wide variety of things. Sometimes humans make mistakes and sometimes equipment fails. My key point, however, is that sometimes what went wrong is the result of improperly written regulations or improper enforcement of those regulations.

Can we expect those who write and enforce regulations to conclude from an accident that they blew it, that the regulations they wrote are wrong or at least inefficient or that they did not enforce them properly? In such situations, some will of course rise to the occasion and admit mistakes. However, human nature being as it is, there is a clear potential at least for conflict of interest when the regulators of safety are also accident investigators.

This potential conflict of interest has been recognized by independent studies. The Dubin inquiry in the early 1980s pointed to the problem in the air mode. This led to the Canadian Aviation Safety Board Act passed in 1983.

The Deschênes study on marine casualty investigation recommended separation of the two functions in the marine mode. The Department responded by making the separation within the Department through administrative action, but a complete separation depends on passage and implementation of Bill C-2.

In the rail sector, the former Canadian Transport Commission and more recently the National Transportation Agency have been responsible for both safety regulation and accident investigation. However, with the implementation of the new Railway Safety Act this year, the job of regulating rail safety has become a direct responsibility of the Minister of Transport and his Department. The rail accident investigators remain with the agency pending creation of the Transportation Accident Investigation Board.

To conclude this chapter, Bill C-2 will separate the two key duties of safety regulation and accident investigation in the rail and marine modes as well as in air. This will remove the potential conflict of interest which exists when the same body is responsible for both.

This aspect of the Bill will also help ensure the independence of the Board. In arguing that the Board will not be independent, as the Hon. Member who spoke previously did, Members on the other side seem to have missed this. Other aspects which contribute to the independence of the Board which they may have missed include, for example, first, a broad mandate to investigate any accident, any incident or near accident or any situation which may endanger safety. There are no limits on the Board's independence to interpret this wide-open mandate. The Bill clearly places responsibility with the Board to set policies on what transportation occurrences will be investigated and how the investigations will be conducted.

Second, the Board has exclusive jurisdiction to make findings regarding the cause of accidents and to make recommendations to prevent similar accidents in the future. Third, the Board can decide whether or not to hold a public inquiry into transportation occurrences. Fourth, although the Board reports to Parliament through a designated Minister, the duties of the Minister responsible for the Board are limited to tabling the annual report and the report of the annual audit.

Having said that the responsibility for safety regulation and accident investigation should be separate, however, let me also say that the two must be complementary. They cannot function totally in separate spheres. When something goes wrong and an accident occurs, the regulators must be in a position to take immediate remedial action if necessary or to impose sanctions if appropriate. Therefore, there must be co-ordination and co-operation between the Accident Investigation Board and the safety regulators in Transport Canada. Bill C-2 provides mechanisms for this necessary co-operation and co-ordination.

• (1140)

Clause 14 of the Bill is so worded as to make the TAIB the only federal agency designated to make findings and report on the causes and contributing factors with respect to any transportation accident, and to make recommendations based thereon to improve safety.

If more than one federal agency had the mandate to investigate any given transportation accident to determine and report on its cause, there could be several reports with perhaps varying conclusions with respect to the same accident. This could cause confusion and lack of public confidence in the findings of any of the agencies involved.

As mentioned at the outset, this is not to say that other agencies are not interested in or have no role to play with respect to any such transportation accident. It is well recognized that the Department of Transport, as well as others, must also be able to obtain whatever information about the accident is necessary to carry out their responsibilities for safety regulation, and for disciplinary or remedial action.

In order to make clear that transportation safety regulators and others are not prevented from investigating any transportation occurrence for their purposes, subclauses 14(4) and (5) have been included in the Bill. These subclauses permit the Department of Transport's Coast Guard, for example, to investigate for marine safety regulation or enforcement connected with its responsibility under the Canada Shipping Act.

There are many other clauses in the Bill which are designed to ensure co-operation and smooth co-ordination of the Board's activities with those of other federal agencies. The most important of those clauses are as follows. Clause 15(1) states, in part:

> Where, at any time during an investigation into a transportation occurrence under this Act, a Department—investigates that transportation occurrence or undertakes remedial measures—the Board and the Department shall—ensure that their activities with respect to that transportation occurrence are co-ordinated.

This clause specifically requires both the TAIB and the Department concerned to co-ordinate their activities.

The interests served by good regulation and appropriate remedial measures requires that accident investigation be carried out in an efficient and effective manner, and that the various activities with respect to a transportation accident are carried out with the minimum of overlap and confusion.

Clause 23 provides that:

> —a person may attend as an observer at an investigation of a transportation occurrence conducted by the Board if the person
>
> (a) is designated as an observer by the Minister of Transport in order to obtain timely information relevant to the responsibilities of that Minister;
>
> (b) is designated as an observer by the Minister responsible for a department having a direct interest in the subject- matter of the investigation;

Clause 24(5) requires that the Board shall during its investigation notify forthwith in writing the Minister of Transport (Mr. Bouchard) of any of its findings and recommendations, whether interim or final, that require urgent action.

I expect that with this set of specific requirements and with the efforts of the new Board and the other agencies involved, a high degree of co-operation and co-ordination with respect to the investigation of transportation accidents can be achieved.

Thinking back to the debate yesterday, I recall that the opposition speakers continually referred to the recommendations of Mr. Justice Sopinka and questioned why the legislation did not follow his recommendations.

I would like to state again that Mr. Justice Sopinka was one of many parties consulted in the development of the final Bill. His recommendations were carefully considered and many were accepted. For example, the Bill makes much clearer the respective roles of the board members, the chairman, the Directors of Investigations and the investigators. It clarifies that although the Board is not investigating to find fault, it should not refrain from fully reporting on cause merely because fault may be inferred from the findings. It confirms the importance of the Minister of Transport having an observer at an investigation. It provides for a five-member Board, and it enables investigators to testify by affidavit. Those were all recommendations made by Mr. Justice Sopinka.

Where the Government differs from Mr. Justice Sopinka is in the approach taken in assigning the respective responsibilities. I believe that the Bill contains the best solution, given all of the extensive consultations. For example, Mr. Justice Sopinka would have made the chairman responsible for the administration of the Board, but given him only whatever powers and duties the Board chose to delegate to him. That approach works well in the private sector where profit is the bottom line, and where shareholders can replace board members at any time. It is not well suited to an independent government agency accountable to Parliament for its mandate, for spending of taxpayers' dollars, and for respecting the merit principle in staffing.

The Bill gives the chairman, as the chief executive officer, the usual powers of a deputy head of a Department under the Financial Administration Act. These include responsibility for personnel, financial and property matters, and generally all other aspects of the internal management of the Board.

The Bill makes equally clear that it is the board members who set policies, by-laws, and regulations for conducting the Board's business, and the chairman must act in accordance with these.

Mr. Justice Sopinka also felt that the board members should have more direct control over the investigators, and more direct involvement in investigations. Other interested parties, however, have argued that the separation between the professional investigators and board members appointed by the Government should be maintained as it was meant to be in the CASB Act.

In response, the Bill does two things. It gives the Directors of Investigations exclusive authority to conduct investigations and submit their reports to the board members. The board members, however, are given the explicit power to make policies on the conduct of the investigations; policies which the investigators must follow. As well, when the investigators report, the Board may ask them to conduct further investigation with respect to any aspect of the accident, and the investigators are obliged to do that further investigation.

In sum, Mr. Speaker, a number of Mr. Justice Sopinka's recommendations were accepted outright. The intent of some others was accepted but achieved in a different way, taking into account the views of others, particularly those in the industry who actually operate the transportation system.

Finally, I would like to address the question of timing. We have been accused of going too fast. "Wait for another year or two", members of the Opposition have stated. The improvements to accident investigation which this Bill will bring should not wait any longer. In addition, as the Minister of Transport has said, and as the Opposition has agreed, the Canadian people's confidence in the existing Aviation Safety Board has been compromised. The new Board to be created by the Bill will restore that confidence.

Under this Bill, Canadians can look forward with confidence to having an effective, credible Transportation Accident Investigation Board which will contribute to making our transportation system even safer in the future. I hope that it will receive due consideration and be passed as soon as possible.

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for South Shore (Mr. McCreath).

Mr. McCreath: I would like to compliment the Hon. Member on his speech. I certainly found it very helpful in understanding this complex but important piece of legislation. I would like to ask a fairly general question.

Tragically, we have seen some serious air crashes in recent years either in Canada, or accidents that have involved Canadians. There have been investigations conducted or are under way with respect to the recent crash in northwestern Ontario, and also the crash two or three years ago in Gander, Newfoundland.

Over the past years, a number of people of Indo-Canadian origin have approached me about the tragic Air-India crash that took place nearly four years ago. It was a foreign carrier. It did not crash on Canadian soil, but it did originate in Canada and carried a large number of Canadians who were tragically killed. I wonder if the Hon. Member would tell me, under this new system that will be put in place with this Bill, how a crash that takes place on foreign soil might be handled differently than has been the case under the previous arrangements.

• (1150)

The Acting Speaker (Mr. Paproski): The Hon. Member for Fraser Valley East (Mr. Belsher).

Mr. Belsher: Thank you, Mr. Speaker. I thank the Hon. Member for his question. This investigating Board that we are talking about under Bill C-2 is a Board which is to set the policies of how the investigators should investigate accidents. I think what is happening in the debate that has been taking place yesterday and this morning is that people are calling them the investigators.

This is a Board which sets the policy and should act as a Board to make sure that the regulations that we have in place in Canada for transportation safety, whether it be marine, rail or aviation, are the right regulations, and when an accident occurs to check out and follow-up on what the investigators have found. They should evaluate whether or not they are satisfied that the conclusions that the investigators have arrived at are actually based on the facts which lead them to feel that action should be taken and changes should be made to the regulations. Their mandate also states that when they send recommendations forward that require action, the Minister must act upon those within 90 days or give written reasons if the Minister is not willing to accept the recommendations that they have found. These are all made public so the public have a chance of seeing that.

There is also one other aspect that the Board has been given in this Bill, and that is where they deem it necessary to have a public inquiry carried out they may so designate an accident to take the form of a public inquiry. The Board is not constrained in its activities.

The Acting Speaker (Mr. Paproski): The Hon. Member for Manicouagan (Mr. Langlois).

[*Translation*]

Mr. Langlois: Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport (Mr. Belsher) and is in two parts. Could he tell us why the directors of investigations have exclusive authority to direct investigations on behalf of the Board? Could he also tell us whether the members of the Board can themselves conduct investigations?

[*English*]

Mr. Belsher: This is something that we try to spell out in this Bill clearly, that they are not the investigators. I believe this is where some of the confusion has happened with CASB people, namely, that they wanted to get involved with the investigation itself. The investigators are the professional staff that are in the Department who carry out the investigation. It is the Board's responsibility to evaluate the investigation and to also go back and send them to do further investigation. In this Bill they may order the investigators to carry out further work on that. I can compare it to a university or a community college, the Board is not the chief executive, not the administration of it. The Board has helped to set the policy, and then requires the people who carry it out to fulfil their function. This is where this Bill clearly sets out the differences. They are not the investigators, but they are the ones who oversee the investigators, and set the policies which the investigators should follow.

Mr. Comuzzi: Mr. Speaker, my question is to my hon. friend. We all know that the three major issues in this new legislation, if it is going to work in contrast to the Canadian Aviation Safety Board legislation, are the independence of the Board; the composition of that Board; and the duties of the chairman. Once we establish that we have those three things under control, this legislation can be functional or the Canadian Aviation Safety Board legislation can also be functional.

What I want to ask the Member is, what are we going to get today from this Government to ensure that the composition of the Board will be one of complete independence. That there will be no political overtones in the membership. That if this legislation should pass that only those members who are completely qualified to act in this very responsible position will be the very best people whom we can find in this country, regardless of political affiliation. That is question number one.

Question number two would be the appointment, and perhaps the question of independence. The appointment of the chairman should be made, and I would like your comments, by the Board after the Board is selected. As I said yesterday, and the Minister of State replied, the duties of the chairperson on this new Board would be so onerous that perhaps the duties of that chairperson should be split, so that we have a chief executive officer who should be appointed by the Board. That is the third question. If you agree with that, the chief executive officer should be appointed by the Board and report to the Board through its chairman.

Those are the three questions and I think if we could answer those, it would give us a lot more assurance in going into the committee as to where we are going to go with this Bill C-2.

Mr. Belsher: Thank you, Mr. Speaker. I will deal with the last question first, and that is the appointment of the chairman. The chairman must be a very highly skilled person so that he can give direction to the chief executive officer. That individual will not be so skilled as to have the oversight, the wherewithal, the knowledge of aviation as such, or of rail of marine situations. It is an administrative role. However, the composition of each of the other members, as I think was suggested in Mr. Sopinka's report, is that in a five-person board that it be relegated on the basis of the chairman, two from the aviation side, and one from each of the marine and the rail side, so that there is a co-ordinated blending of the skills that the people have.

Furthermore, we passed legislation some two to two and a half years ago that gave the right to a standing committee to call before it any Order in Council appointments. I can see a role that the standing committee could possibly follow in something like that, so that when the reports come through, the committee could make rec-

ommendations back to the Minister for the composition of the Board and the competence that is there.

Mr. Butland: Thank you, Mr. Speaker. I have a question. I excerpted a few words from the hon. gentleman's speech, and he spoke of human mistakes and equipment failure. I would like to point out a couple of facts in air safety that I do not think have been divulged in the past few days of debate. One of them is the Government's radar modernization program. I am told by reliable sources that in the case of American-Canadian skies the Canadian software is not compatible with the American aircraft, causing a great deal of extra concern with regard to air safety.

Second, with regard to the reclassification of northern airports across this country, the difference of two feet, on the old measurement scale, can result in a decrease of five firefighters in my particular constituency. I believe it is the same for 16 other airports across the northern part of Canada. My question is very specific. The principle of the Board, I think our Party agrees with, but will the Member not accept the fact that the present government policies of cut-backs exacerbates the problem. That is the real problem rather than the creation of the safety Board.

• (1200)

Mr. Belsher: Mr. Speaker, I certainly do not accept the fact that it is because of government action that we are less safe. There have been additional moneys put into the transportation industry over the last years. The Opposition asks the Canadian public to believe that we have cut back in numbers. When it comes to controllers, we have not been able to bring on enough new ones. It takes two years to bring them on stream. Over the last several months action has been taken to get faster relief. The industry has grown faster than what the system was able to take. I certainly do not buy the premise he has been putting forward to Canadian people.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. Is the House ready for the question?

The Hon. Member for Kamloops (Mr. Riis).

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we are not quite ready for the question yet. There are a few more remarks that ought to be made.

It is a pleasure to rise to say a few words regarding Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof. Basically, we are examining a Bill that would give the authority to investigate accidents.

It is interesting to note that this Bill was introduced about nine months ago, at which time the Minister stated that because of the National Transportation Act the Government places safety at the top of its list of objectives. That was a comment made by the Minister. It is one I think we all appreciate hearing. A great deal has transpired in the last nine months. Hardly a week goes by when we do not see images on the late night news of chunks of planes falling off, or wings falling off, or planes crashing into trees, or all sorts of marine disasters.

One gets the impression that safety in terms of transportation has not been a terribly high priority of the Government. I do not have to even mention the whole matter of the shortage of air traffic controllers at our Canadian airports. I appreciate the straightforward comments made by the Parliamentary Secretary to the Minister of Transport (Mr. Belsher) who agrees that indeed there has been a serious problem in terms of air traffic controllers and the inadequate number of people to fill those positions. However, the Government has now recognized that some special steps have to be taken. He did not mention the chronic shortage of inspectors for large commercial aircraft. Those of us who fly a good deal get on aircraft now on a daily or weekly basis feeling somewhat less secure than we did some years back knowing that some problems exist, to say nothing of the controversy concerning the Gander crash.

I notice that when Mr. Justice Sopinka was looking into the way the Canadian Aviation Safety Board handled that operation he created a very abysmal picture of competency. He indicated that he has observed serious problems with the Canadian Aviation Safety Board, including a breakdown in the day-to-day operations, divisions between members and the chairman, division between members and the accident investigators, and dissension among members. Specifically, he stated that the main problem, generally stated, is that the Canadian Aviation Safety Board is not operating as a cohesive unit in pursuance of its objective to identify safety deficien-

cies and make recommendations to remedy them. Rather it has become fractious to the extent that some of its members have been in open conflict with the chairman. There is a rift between members and the accident investigators who view themselves as being independent of board members.

I emphasize the Canadian Aviation Safety Board for two reasons. First, I realize that this is past history now as we move into consideration of this Bill but that it is legislation that the Liberals introduced. It is interesting to hear the views of members of the Liberal Party, particularly the new Members who have been saying that this is the past and it has been horrific. They must be reminded that it was their Party who introduced this process. I feel that we have to accept some responsibility for the ill deeds of the past.

I think that it is safe to say that this Bill really re-creates the Canadian Aviation Safety Board legislation under a new Act. We welcome that new Act. However, I wonder about the wisdom of the timing. We have much to do in this session of Parliament. We also have to remember that two very important investigations are going on today, one into the Dryden crash and the other into the Gander crash. I suspect that out of those investigations will come important recommendations that will be germane to the analysis of this legislation. It may be in the best interests of Parliament to wait until we have preliminary reports from those investigations to see what recommendations they will be making.

We are pleased that we are dealing with this legislation. We were very enthusiastic about the legislation being directed to the Standing Committee on Transport as opposed to following the traditional route and being sent to a legislative committee. We were happy because we recognized the tremendous level of expertise of the members of the Standing Committee on Transport.

As we speak there are at least 1,200 investigations that have been completed or have yet to be dealt with. There are now 1,200 independent investigations sitting out there in limbo. This means that there is some interest in moving expeditiously over the next number of weeks to have the Transportation Accident Investigation Board in place. Goodness knows we cannot continue in this rather *ad hoc* way in which we have been going over the last number of years.

It is important to recognize that this legislation comes after the fact. It will not do anything in the short term to improve the whole matter of air, rail and water safety. It is a process that will determine what went wrong, where the responsibilities lie, what the problems were and so on. At best it looks forward to recommendations to avoid problems in the future.

I would be remiss if I did not make at least one critical comment of the Government in terms of this legislation. That is to say that when we look carefully at why we are facing many of the problems we see in terms of aviation, marine and rail safety, to say nothing of moving commodities through our pipelines, it is because of the deregulation mindset that the Government has perpetuated and imposed on Canadians for many, many years now. I refer to the idea of turning over these critically important sectors of our economy to deregulation , particularly important because we are dealing with the second largest country in the world geographically. Transportation is critical in that light. We have seen the effects of the deregulation of the industry in the United States which had a jump on us as a result of the Reagan administration. The results have been abysmal. The number of accidents has increased. Safety has been jeopardized. That is just a fact of life.

There are countless examples to demonstrate that. Yet the Government blindly fell in line with the Reagan initiative and has now accomplished the same thing. We are now seeing the results. We are now seeing a less safe environment. We are seeing the benefits of deregulation when we fly through the Toronto airport and sit on the tarmac for two or three hours waiting for a turn to get into the air.

Those of us from remote communities have seen quality service reduced to minimal service. We have seen small communities that used to have a number of flights in and out that now maybe have one flight in and out. In other words there has been a real deterioration of service, to say nothing of the fares. The illusion was that with deregulation more competition results and fares decrease. I do not think there is anyone who believes that anymore. We saw in the United States after a while the sifting out of the smaller airlines. These companies go by the board and we end up with a handful of monopolies. Up go the fares, and the travelling public is held at ransom. Those who must travel, particularly into the remote areas of the country, are most affected. That is another question perhaps for another time. I could not help raising it because part of the problem in terms of safety is a reflection of the changes that have occurred as a result of deregulation.

• (1210)

I want to emphasize that in terms of the principle of the Bill, which is what we are debating here today, we in the New Democratic Party support the principle of this legislation. We support this legislation which is creating this new Board which will be mandated to independently investigate and publicly report on transportation accidents involving air, rail, marine or commodity pipelines and to identify safety deficiencies and make recommendations to reduce such deficiencies in the future. We applaud that, Mr. Speaker. We say that that is a good principle to pursue. We support the Bill because it offers an opportunity to tighten the investigation and accident report procedures as well as a chance to disband non-functioning bodies such as the Canadian Aviation Safety Board.

However, Mr. Speaker, it needs work. There is no question. We are debating the principle of the Bill today as opposed to the various clauses. We will be dealing with those at the appropriate time. I simply want to flag that this Bill needs reworking. It needs to be improved. It needs to be tightened. It needs to be more effective, more efficient. This Bill needs to reflect what Canadians demand now of the Government in terms of safety in air, rail, marine and related commodity pipelines.

Because of the excellent speeches that have been made by others in our caucus, primarily the transportation critic, I do not need to restate what he so ably stated yesterday. Let me simply summarize that we need a board that is independent. We do not need a board made up of political hacks. I say that with some hesitancy. Yet in some cases that is the fact. Mr. Speaker, in the Parole Board area, Canadians want the security to know that people who have been convicted are not out on the street prematurely. These people are back on the street prematurely before they have been appropriately rehabilitated because we have Parole Boards that have made errors in judgment. One of the reasons for these errors in judgment is that some members of Parole Boards are nothing more than political hacks who have absolutely no background in the area of justice or corrections. I say that with some hesitancy, but that is the fact. They have absolutely no experience in making decisions regarding the safety of Canadians on our streets.

Mr. Speaker, we now have an opportunity to create a board that is independent of the Minister and that reflects the concerns and priorities of Canadian citizens. So we will be looking very carefully at the ways and means of assembling that Board with respected, qualified individuals who would have the confidence, not only of the Government, but of the people of Canada. I think that is critical. It must act at arm's length. Right now, goodness knows, if there is a flaw in this piece of legislation, it is the fact that the Minister has so much power. Can you believe something as peculiar as when an air or marine disaster occurs and the Board and its investigators do their work. It then makes a recommendation. Before that becomes public, it has to be vetted by the Minister or by other senior people, for example, air controllers. Let us say that an air disaster or a near disaster was a result of understaffed airports in terms of air traffic controllers. We know government policy has been to cut back. So the Minister would say,"Well, listen, we cannot say that. So you have to alter the report to reflect government policy".

Let us say there have been cut-backs in areas of fire protection in remote airports and that there was a problem after an investigation was done that identified the cut-backs in fire protection as crucial in this case. Again, Mr. Speaker, the Minister would be reluctant to criticize his colleagues in Cabinet and his Government. So he would ask that that would be deleted from the report. That is not what the people of Canada want. We cannot afford to play politics with the lives of Canadians, particularly the future lives of Canadians as we are trying to improve the safety system of air, rail and marine travel.

I could go on for an hour, Mr. Speaker, and identify these problems, as you well know. But it has been done by others and will be done at the appropriate time in committee. I simply flag this area as one of real concern.

Not only do I speak of the independence of the Board, Mr. Speaker, but of course implicit in what I am saying is the membership of the Board. Who are the members? Do they reflect the industries that are concerned here in terms of the transportation sectors? What elements of those sectors are represented on the Board? Are the unions represented? Are the people who actually carry out the day-to-day work in transportation areas involved? No, I don't think they will be, Mr. Speaker. Is that fair? Of course it is not fair. I think our job will be to build fairness, justice and equity into the composition

and the mandate of the Board. Obviously if the Chair is an appointee of the Minister, maybe the Minister's pal or neighbour or from his constituency, he will be reluctant to criticize the person who gives him the job or who allows him to maintain the job. Again, it is absolutely critical that this Board be independent in dealing with the lives of Canadians.

I want to simply conclude my remarks by saying that again we support the principle, but have grave concerns about a number of elements of the legislation. Knowing the decency of the parliamentary sector and how interested he is in safety in these areas of transportation, I am sure he agrees with the points that we have been making and will do whatever he can to draft the appropriate amendments to the legislation.

Also, Mr. Speaker, I simply want to mention one aspect of marine safety that I think all of us are concerned about. That is of course the movement of petroleum products along our sensitive coastlines. I think we have seen examples both in the east and west, on the Great Lakes systems and elsewhere. Because of inappropriate legislation, of inappropriate enforcement mechanisms, because of lack of technology and response, we have had ecological disasters or near disasters. That has to be the concern of all serious-minded parliamentarians. So I simply flag that as something that we must address.

We must carry out a public inquiry into what is happening on the West Coast. You know the area, Mr. Speaker. It is a part of Canada where the word beauty really describes the environment. The West Coast ecological area is pristine, beautiful and of course one of our major economic characteristics in terms of future economic expansion, in terms of international tourism.

So I call upon the Government to consider a public inquiry. The Parliamentary Secretary knows the area well. I know how well and strongly he feels. I am sure he is lobbying the Government as much as anyone, and I wish him luck in his efforts. I know in this Party we have done and will continue to do everything possible so that the people of Canada will have a chance to participate in what is going on in terms of water safety on the West Coast.

Back to Bill C-2, Mr. Speaker. I conclude my remarks by saying we look forward to moving this into the Standing Committee on Transport with the appropriate amendments. Thank you.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Saint-Hubert (Mrs. Venne).

[*Translation*]

Mrs. Venne: Mr. Speaker, the competence of Investigation Board members was just called into question. From clause 4(2) of Bill C-2, it is obvious that:

> The Governor in Council shall appoint as members persons who, in the opinion of the Governor in Council, are knowledgeable about air, marine, rail – transportation.

So—

[*English*]

Everyone is well aware of the importance of appointing Members with backgrounds appropriate to enable them to carry out their responsibilities and establish the credibility of the new Board.

[*Translation*]

I would therefore ask the Parliamentary Secretary to further explain clause 4(2) of Bill C-2 to the Opposition Members, since they do not seem to understand that it will certainly—

[*English*]

The Acting Speaker (Mr. Paproski): You are not to put the question to the Parliamentary Secretary, but you are to put the question to the last speaker. So maybe he will be able to answer it. The Hon. Member will carry on.

[*Translation*]

Mrs. Venne: Mr. Speaker, so I shall then ask the Opposition Member to explain to me his point of view since he does not seem to understand that clause 4(2) clearly states that Board members are knowledgeable—that is, that people will really be appointed on the basis of ability.

• (1220)

[*English*]

Mr. Riis: Mr. Speaker, I am pleased to respond to the Hon. Member's question. She has a lot more faith in the system than I have.

I understand what the Bill says in terms of competence. All Bills say that. All Governor in Council appointments are prefaced with the remarks that competent people are being appointed.

Let me relate one incident. It concerns an acquaintance of mine who happens to have been appointed to the Board of Air Canada. When the appointment was made and it went through the appropriate committee process, I asked what her qualifications were. I was not aware that she was an expert in air travel or that she was knowledgeable about the technologies involved. She was not sure herself, and her response was that she guessed it was because she flies a lot. That was the justification coming from the individual herself.

We could go through a long list of very embarrassing comments about people, where I think we will have to agree that political appointments are made.

As I indicated in my presentation, there are appointments to the Parole Board which were made strictly for political reasons, where the appointees do not have a shred of experience in the area of corrections yet make decisions on which a criminal should be allowed out of the system earlier than others. It is a long list.

I want to respond to my hon. friend, the Parliamentary Secretary, who indicated that we ought not to have any concerns because any concerns about a certain appointee can be referred to the standing committee. Of course, the standing committee always make a decision based on the number of government Members who have a majority, but if it wants, the committee can bring someone forward. That is fair enough, but all it can do is talk to the person. It has no vetting power and no influence. It is always after the fact. As a matter of fact, it is often months after the appointment is made before it is gazetted and before the parliamentary standing committee could even have an opportunity to examine a particular appointment.

I do not think the process is very well equipped. I will admit that it is better than it used to be, but it has a long way to go in terms of protecting the public from inappropriate appointments, particularly those based on politics more than expertise.

Mr. Butland: Mr. Speaker, I want to make a few comments just to reinforce what my colleague has suggested about deregulation. My comments are pertinent, perhaps, and quite parochial nevertheless since there are other communities across northern Canada that have suffered and will continue to suffer certain ills. The first is a loss of jet service to many of these communities and the concomitant consequences of that. The second is the reduction in safety, which is proven on a regular basis. The third is the issue that my hon. colleague just mentioned. The return fare from my constituency to Ottawa has gone up four times in the past four months. It is presently $460 return, I suppose at the taxpayers' expense. Nevertheless, if one compares that to the Toronto to Florida fare, which is something like $100 return, it is a result of this market-driven economy and a direct result of deregulation.

Mr. Belsher: Mr. Speaker, I rise on a point of order. Is the question leading to something that concerns the Bill in front of us? He is talking about deregulation which was in former legislation. We are talking about a Bill to create an accident investigation board.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member for Kamloops (Mr. Riis) could perhaps answer that.

Mr. Riis: Mr. Speaker, I appreciate the intervention by my hon. friend. The point we are trying to make is that the reason we have to improve the investigation service which was inadequate under the previous Liberal Bill is the increased number of accidents and increased number of disasters or near-disasters. I mentioned that there are 1,200 pending investigations that have not been completed. Part of that is because the airlines and other forms of transportation have been deregulated, which makes the situation less safe.

The removal of cabooses on the trains was part of the deregulation process. Part of the Government cut-back process was to replace the caboose with the infamous black box which everyone on the railway system who actually operates the railway says is not in the best interest of long- term safety. That is the point we are trying to make.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the concept of an independent Board to investigate transportation accidents in the air was created in 1984 under the Liberal Government. It is an excellent idea which, at that time, was applauded by all nations in the world.

The new Transportation Accident Investigation Board that the Minister is proposing to replace the Canadian Aviation Safety Board is modelled after the CASE, and rightly so. Accident investigation is a crucial element to ensure high levels of safety standards in this country. The recommendations flowing from the investigation reports form the cornerstone of Canada's safety regulations which protect travellers on a daily basis. Therefore, this new multi-modal investigation agency must be of the highest standard, employ top Canadian experts and remain thoroughly independent from the Minister.

The portion of the Bill dealing with conflict of interest is interesting. I note that the legislation states these people would be appointed through Governor in Council appointments. This concerns me because my constituents and other Canadians have said they are worried about the actions of the previous Board and its political independence.

I am concerned about the Government's intention in this legislation when it indicates that the responsibility for appointing these people will be with Cabinet. I was interested to read about the qualifications of these appointees. It states essentially that these people would not only have to be well versed in one particular area such as air, the sea,rail or pipelines, but would have to be well versed in all these areas. I am not sure how the Government could find a person knowledgeable in all of those areas. I question the nature of that requirement in the Bill and the real political purpose behind it.

Obviously, we on this side will do all we can to ensure that the Transportation Accident Investigation Board is an organization that can be respected by Canadians everywhere. The Liberal Party is curious as to why this multi-modal Board is being established on such an urgent basis. Is it really to promote increased safety, or is it effectively to wipe out the four dissenting board members who have been questioning the causes of the Gander crash over the last three years? Is it to eliminate dissension on a future board or is it to eliminate dissension on the present Board? We seriously question the need for this legislation to come through at this time. As my hon. friend said, we on this side question that because we are not quite sure whether this is the time to raise this issue.

We believe the Canadian Aviation Safety Board would not have to be eliminated and replaced at this time had this Government done the only right thing and called for a judicial inquiry into the Gander crash several months before the dissension on the Board grew to a point of being unworkable. This unjustified delay not only compounded the problem of dissension, but contributed to a lengthy public debate and put into serious doubt the ability of this Government to safeguard the high safety standards that Canadians are accustomed to, and in fact demand.

• (1230)

When this Bill was read for the first time in the previous session on July 8, 1988, the Minister said,"The National Transportation Act—places safety at the top of the list of objectives. The Government takes this commitment seriously—" This is a very honourable statement. However, Canadians have learned since that this is not in fact the case.

Since then, we have learned of the serious shortage of air traffic controllers at Canadian airports, the chronic shortage of inspectors for large commercial aircraft, the controversy over the cause of the Gander crash, the Government's inability to offset the dangerous effects of deregulation, the Dryden crash and other serious shortfalls. Today we can only hope that the Government is serious about committing itself to high safety standards for Canadians and is not about to throw out more rhetoric without action. The safety of Canadian travellers is far too vital to mishandle at this time.

The problems at Pearson International Airport are very well documented. We on this side of the House decided it would be best if we got the views of members of the public on how they felt air safety is being dealt with, specifically as it relates to Pearson. More specifically, in my area, there is an airport in southwestern Ontario that we feel would be helpful in alleviating some of the problems at Pearson. I am talking about Mount Hope Airport in Hamilton.

The constituents of my riding and indeed of ridings throughout southwestern Ontario feel that there has been a lack of government attention to the needs of our area as they relate to air traffic and indeed air safety. In fact, the Town of Haldimand, which is in my own riding, presented me with a letter dealing with air safety and how Hamilton Civic Airport will help deal with this. The resolution, as passed by the Town of Haldimand Council on January 16, 1989, reads as follows:

> WHEREAS the Hamilton Civic Airport is in a strategic position to service Southern Ontario with cargo and passenger service;
>
> AND WHEREAS the Metropolitan Area of Hamilton boasts a population in excess of 500,000 people who will benefit from the use of this facility;

AND WHEREAS there is currently a critical over crowding occurring at Toronto International (Pearson) Airport which could be alleviated if Hamilton Civic Airport handled some of this traffic;

THEREFORE be it resolved that the Council of the Corporation of the Town of Haldimand petitions the Minister of Transport to review the Federal Government policies to establish policies to enhance the operation and facilities at Hamilton Civic Airport to encourage better utilization of this excellent facility for the benefit of the industry and population within the greater Hamilton Metropolitan Area.

AND FURTHER THAT this resolution be forwarded to our Minister of Transportation Canada, Minister of Transportation of Ontario, our Federal and Provincial Members of Parliament—

And it goes on.

This was dated January 25, 1989, and was forwarded to the Minister of Transport as it was to local Members of Parliament.

Further, I received a similar resolution from the City of Nanticoke which is also in my riding. It shows the concerns of these people and of the local politicians about how air traffic is being handled throughout our area. The letter from the City of Nanticoke reads:

This office wishes to advise that the Town of Haldimand's request for endorsement of their resolution regarding the above captioned facility has been considered by the City of Nanticoke Council and as a result of their deliberation the following resolution was passed:

"That the Town of Haldimand's resolution regarding the utilization of Hamilton Civic Airport (Mount Hope) be supported."

It is clear that local Governments are now becoming aware of the situation and are really concerned about how the Government is handling it. Not only should the Government be concerned about air, land and sea safety, but it should do something immediately and directly toward alleviating the problems at Pearson International Airport and using Hamilton Civic Airport, an airport which has been there for years, to help alleviate these problems.

I could go on about how we on this side feel about the Government's negligent mishandling of air safety. It is well documented and requires remedy in several places. However, today our attention is directed toward this Bill. I am sure Hon. Members are aware of the Angus Reid poll which indicated that the Canadian public thought that standards for Canadian air safety were in fact lower than they had been in previous years. In fact, as we learned recently, travel agents across Canada are finding that business is slowing down because of the problems with air safety. People are becoming afraid to fly. I question whether or not this Bill will do anything to solve that problem. As the Minister of Transport said, the Government was prepared to take some action in this regard. To date, we have not seen anything concrete from the Minister.

The Liberal Party feels that the Government is making a serious mistake by rushing this Bill through before Mr. Justice Willard Estey has had a chance to review the record of the investigation into the circumstances surrounding the Gander crash. We say this because Mr. Justice Estey's review may result in a recommendation to the Minister for a judicial inquiry which would have a profound impact on aviation accident investigation and subsequently on this Bill, just like the Dubin inquiry preceded the Canadian Aviation Safety Board Act of 1984. Those recommendations formed the backbone of that piece of legislation.

We feel strongly that a full judicial commission of inquiry into the Gander crash should by all reasonable courses precede this legislation. Only in this way can we create an accident investigation agency that will promote safety in Canada to maximum of efficiency and operate on a day to day basis with the least possible opportunity for dissension to set in. We believe that for reasons of covering upcertain compromising events, this Government has refused to call a judicial inquiry in the last several months and is now caught up in a clear situation, as we say in my riding, of putting the cart before the horse.

I would like to speak for a moment about the review of Mr. Justice John Sopinka on the previous Bill, Bill C-142. Hon. Members are aware of Mr. Justice Sopinka's review and of the comments he made about the Canadian Aviation Safety Board. I question whether the Government has actually read that review.

Mr. Justice Sopinka said that the main problem, generally stated, is that the CASB is not operating as a cohesive unit in its pursuance of its objective of identifying safety deficiencies and making recommendations to remedy them. I question whether or not this Bill setting up this agency will not eventually lead to the same thing. I question whether or not appointments of political hacks to the Board will indeed be the proper way to go.

Mr. Justice Sopinka went on to say that, rather, it has been fractious to the extent that some of its members are in open conflict with the chairman and there is a rift between members and the accident investigators who view themselves as independent from the Board. I have read through the Bill and I cannot see anywhere where a solution to these problems has been adopted. Clearly, the way this Bill is set up, that could happen all over again. In fact—

Mr. Belsher: You're reading it through Liberal eyes.

Mrs. Maheu: We don't wear blinkers.

Mr. Speller: In fact, the situation exists and this Bill goes nowhere toward solving those problems.

• (1240)

In conclusion, the people in southwestern Ontario who have had to deal with this chaotic air system at Pearson want action, and they want action in the form of a Bill that will assure them that it will again be safe to fly in the skies.

Mr. Langdon: I would like to echo the point which has been put so forcefully by the Hon. Member for Haldimand—Norfolk (Mr. Speller). Certainly, people from southwestern Ontario, and people from the parts of our province who have to travel through Pearson Airport, have faced dangers over and above what people should have to face in using air travel today. We are not talking about some type of pioneering mode of transportation. We are talking about a mode of transportation which a Government has a responsibility to see is operated safely.

Anyone who has followed the recent course of events at Pearson, the long delays which have taken place, the cancellations, the near misses, knows that all of them can be traced back to the false economies that the Government made in not taking on more air traffic controllers to do the job that is necessary with respect to safety. For our constituents, this has represented what they see as a complete dereliction of duty on the part of the Government.

Would the Hon. Member agree with this perception of complete absence of serious concern which should have been there as soon as the decisions were taken to start down the road toward deregulation? If the Hon. Member does agree with that, does he also feel that those Ministers who took the first steps toward deregulation should also have taken the first steps to see to it that air traffic safety was put fully into the equation right from the beginning?

Mr. Speller: I thank the Hon. Member for his comments. He will be aware that we on this side did take those first steps. When the Hon. Member asks whether or not I feel there have been concerns expressed, I believe there have been many concerns expressed. Unfortunately, the action has not been there to follow those concerns.

The Ministers rise daily and state that they are concerned about the situation at Pearson and are concerned about air safety in Canada. In fact, there does not seem to be the actions there to follow through on those concerns.

Mr. Walker: I would like to thank my colleague for an excellent analysis of the Bill. I am happy to see that the Parliamentary Secretary to Minister of Transport (Mr. Belsher) was present to enjoy it. I am sure he will pass on the comments of the Hon. Member to the Minister to ensure that they are fully understood.

There were two or three points raised indirectly in the speech of my colleague. I would like to go back and discuss them a second time because they are important points.

First, I wish to address the size of the five member board. My suspicion is that for a multimodal board, if that is the route that the Government wishes to go and on which we do not agree, five members is a very small number. How will the Board approach situations? Can that Board handle such situations where, unfortunately, there may be two or three accidents at a time which are quite widely dispersed throughout the country? Will five members have the expertise, the time, and the experience available to relate to these problems?

Second, does my colleague believe that this is the type of board that, as the Bill suggests, should be located in Ottawa close to the Department of Transport, or could the independence of the commission be guaranteed by locating it elsewhere in the country away from the Department so that Canadians are assured that an independent group is carefully looking at what the cause of the accidents might be?

Third, in the Bill it states that public inquiries are an option. It seems to me that one of the big changes that we have tried to insist upon in the Government, both in environmental matters and in other matters, is that as a matter of fact public inquiries be considered as a way of proceeding. The fact that these are optional under the Bill surprises me. Does my colleague have any comments on that?

Mr. Speller: I agree with my colleague. I was concerned when I read the section in the Bill that only called for five members to be appointed by the Governor in Council. I was more concerned on the qualifications of the members. This was the point I raised earlier. I have now found the clause in the Bill which states:

> 4.(2) The Governor in Council shall appoint as members persons who, in the opinion of the Governor in Council, are collectively knowledgeable about air, marine, rail and commodity pipeline transportation.

I do not know where five members will be found to do that. It might have been better for the Government to get a few more experts in certain areas and increase the numbers on the Board.

As the Hon. Member mentioned, perhaps there is concern in other parts of the country that the Board may not be as independent if it is located close to Ottawa and the Department of Transport. In fact, Winnipeg might be a very good location for the Board.

We on this side are very concerned about the independence of the Board and the make-up of the members. Anything that will help to alleviate the concern in the public that the board is not independent will be a good step forward.

Mr. Belsher: It is interesting listening to the debate between Members of the Opposition Parties. Members of those Parties are giving out erroneous information to the Canadian public. Certain things must be recognized. Last year Pearson Airport had a 10 per cent increase in traffic, and the incidents that occurred at Pearson are actually down approximately 40 per cent. Are Members opposite listening? There has been a 10 per cent increase in traffic, but the incidents are down. Members opposite are attempting to tell everybody that everything is very unsafe. I notice that they still fly and come through Pearson on their way to Ottawa.

What we are talking about in the Bill is an investigation board that, when accidents occur or incidents occur, has the power to command that the Department people involved conduct the investigation, send them back to do things, make sure that the regulations in place are being followed, and if improvements can be made, then to make those type of adjustments.

That was not clearly spelled out in the CASB Act. The Bill now makes it clear that the Board must not hesitate to define and report fully on the cause of an accident, even when a person may incidentally be blamed thereby. This brings it out into the forefront and also gives the Board that power. When recommendations have been put forward and a Minister is not willing to follow those recommendations, he must give written reasons as to why he has not followed those recommendations.

• (1250)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am happy to have the opportunity to speak to this Bill. As Members who were here in the last Parliament, and indeed in two Parliaments before that will know, transportation safety has been an ongoing interest of mine, particularly when it comes to rail. I hope that the comments that I have to make today will be useful in terms of debating the whole matter of transportation safety in all modes.

I thought that the response just given by the Parliamentary Secretary to the Minister of Transport (Mr. Belsher)) was offered in a somewhat facetious manner. He pointed out the fact that Members of the Opposition still continue to fly through Toronto is some sort of proof of the insincerity of their criticism. This is really a threadbare argument. The fact is that many people in this country have to fly through Toronto if they want to do their job, if they want to continue living up to their responsibilities, whatever those responsibilities might be, whether they are in the business sector or politics, or whatever the case may be. For the Minister to suggest that because people have not reached the point of refusing to fly through Toronto there is not a problem, I think, with all due respect to the Parliamentary Secretary, is a particularly ignorant form of argument. I hope it is not repeated in future.

I fly from Ottawa to Winnipeg on a direct flight and I am very glad that I do not have to fly through Toronto, not just in terms of safety, but also in terms of delays, and planes being backed up for landing and backed up for taking off. If Tory Members who have to fly in and out of Toronto think that that is just great, that that is something they are willing to put up with in order to preserve the sacred ideological call of deregulation, then that is fine. Suffer, baby. The rest of us and the rest of Canadians ought not to suffer because of the ideological fixations of a Conservative Government.

The root of this matter is ideological. The root of everything that we are concerned about here today is the whole question of deregulation, a fixation, a trend which goes back to the Liberal Government of 1980 to 1984. I see the Hon. Member for Winnipeg North Centre (Mr. Walker) starting to look a little uncomfortable. He knows that it was his political mentor, the Hon. Member for Winnipeg Fort Garry (Mr. Axworthy), who started this trend toward deregulation. It was the Liberals who were first fascinated. They were saying: "What is going on? What are the Americans doing? We should do that too." The Liberals were as prone to that sort of thing as the Tories.

The Tories have finished the Liberal agenda on deregulation. They have completed what the Liberals started. We have a transportation system which is now fraught with confusion and danger. This Bill is designed as a kind of remedial action to pick up the pieces, to figure out what went wrong as a result of deregulation, not to address the root cause, not to address the fundamental problem of deregulation in and of itself, but simply to expedite the investigation of accidents that occur as a result of the kind of transportation system that the Conservatives have created through deregulation.

It is not going to work. It is not going to work because the fundamental problem of deregulation is not being addressed. The fundamental problem of putting airlines, railways, trucking companies, bus companies, and everyone else involved in the business of transportation in a position where they are in a kind of cut-throat relationship with each other, within modes and between modes, is going to create problems. I see it most clearly in the rail sector where the CPR and the CNR have been put in a position where they have to ruthlessly compete with each other. That means cutting corners, laying people off, not making investments that need to be made, not doing inspections that should be made, not doing maintenance that should be done.

They are competing with each other. As a group they are competing with the trucking companies which have also been put in a position where they are competing with each other. Almost anybody can get on the road if they have a couple of wheels to rub together. What have you got? You have a decrease in safety on the highways as a result of the new regulations with respect to trucking. You have problems in the rail sector. At a moment when the Government is doing a lot of talking about the Brundtland Commission, the environment and everything else, we are in a deregulated policy framework that encourages trucking as opposed to rail. We know, and no one has ever disputed this, that rail traffic is an environmentally more suitable form of transportation than trucking.

This is one of the things that needs to be said in this debate, that to have this debate without debating deregulation is woefully inadequate. One of the things that bothers me about the Board, and it is a problem in many areas of Canadian life, is that boards accumulate political appointments. There is no guarantee that this Board will be any different.

I was reminded of that just a couple of weeks ago when I appeared before the National Transportation Agency. That is the Conservative substitute for the CTC, which in my judgment was not independent enough of the Government. It was an independent body, a quasi-judicial body which was replaced by the National Transportation Agency, which is much closer to the Government. That closeness could not be better demonstrated than by the fact that the chairman is a former Government House Leader for the Conservative Party, and an author of a report that at one time recommended severe cut-backs in VIA Rail.

It is a problem for many boards in Canada that they do accumulate political appointments. What happens is that people get appointed to these areas, but they do not necessarily know anything about them. They become dependant on the bureaucrats and the special advisers. Then the Government has special access, if I understand this legislation correctly, to draft reports. If there is something there that the Government does not like, it will have an opportunity to change it, or at least to try and change it.

These are some of the problems that we see with this legislation. It does not go to the heart of the matter. It does not solve the problems that were identified with the old board that this is replacing with respect to aviation safety. It does not address the whole question of deregulation. One of the things that I am particularly upset about in the last little while has been the decision of the courts to overturn the Larson report on the caboose decision. We see that the railways took the report of Mr. Larson, the arbitrator, after the railway strike, to court. The court overturned the report, which got in the way of the railway's plans to get rid of the caboose. This is very unfortunate. It is an example of the kind of thing that we have seen over the last few years.

I see, Mr. Speaker, you are getting itchy.

The Acting Speaker (Mr. Paproski): I am not getting itchy. I love to listen to the Hon. Member. He will have 10 minutes in his debate after three o'clock, plus 10 minutes questions and comments.

It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

EMPLOYMENT

LAY-OFFS AT DOMINION TEXTILE IN MONTREAL—IMPORTANCE OF TRAINING PROGRAMS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, Dominion Textile of Montreal announced in February that it would have to lay off 425 employees this year because of the Free Trade Agreement. What can these employees expect? The Government is not acting!

Enough time has passed since February to set up programs to help all workers stay in their community and find a job that pays the same or requires the same skills.

The Government must assume its responsibilities and ensure that these training programs encourage the diversification and development of local economies.

Let the Minister of Employment and Immigration clearly indicate what training programs will be provided for the Dominion Textile workers and all other Canadians affected by the Free Trade Agreement.

Mr. Speaker, reassigning unemployment insurance funds to vague training programs for non-existent jobs is not enough!

[*English*]

EXTERNAL AFFAIRS

LEBANON—REMOVAL OF FOREIGN FORCES URGED

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I rise to again draw the attention of the House to the tragic situation in Lebanon.

On Sunday, I attended a rally of some 500 persons in Halifax, organized by the Canadian Lebanon Society. I spoke with people whose relatives are living in shelters, and whose lives are imperilled on a daily basis.

Lebanese Canadians are convinced that Lebanese of all factions and religions can work together to work out their problems, if only the foreign interventionists can be removed.

I join with Lebanese Canadians of Nova Scotia in urging the Government of Canada to use its best influence and its position on the Security Council to introduce into the United Nations, or to inaugurate whatever measures are necessary to bring about the removal of all foreign forces from Lebanon, and an end to the slaughter of innocent people.

At the same time I would urge the Government of Canada to consider re-establishing effective consular services in Lebanon for the benefit of Canadians wishing to travel to and from that troubled land.

* * *

ABORIGINAL PEOPLES

FUNDING OF POST-SECONDARY EDUCATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, later today the Minister of Indian Affairs and Northern Development (Mr. Cadieux) is to meet with representatives of native students, some of whom had been on a hunger strike for over three weeks. Other students continue that fast as they seek appropriate access to the tools that will allow them to reach their educational potential. These students believe, and we on this side concur, that post-secondary education funding is an obligation of Canada as a result of the treaties entered into between our Governments and the First Nations.

Yesterday, I provided the Minister with a copy of a petition signed by educators at Confederation College and Lakehead University in Thunder Bay, the home institutions of the hunger-strikers, a petition which I indicated supports the students' cause.

I call on the Minister to agree to place a moratorium on the changes that will limit access to post-secondary education by native students and to provide for a full consultation with those to be affected. It makes economic sense to invest in education so that First Nations' peoples can effectively meet the needs of their communities today and in the future.

* * *

THE LATE RANDY BERFELO, FORMER MAYOR OF HAY LAKES, ALBERTA

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, on behalf of the constituents of the riding of Elk Island I would like to recognize the passing of a former Mayor of the Village of Hay Lakes, Randy Berfelo. Mr. Berfelo will not only be missed by the community of Hay Lakes but also by many others across the riding of Elk Island.

* * *

[*Translation*]

TRIBUTE TO FATHER CLAUDE PIEL

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Later on this afternoon, Mr. Speaker, the Secretary of State (Mr. Weiner) will present civic merit certificates to 25 Canadian men and women to highlight their outstanding contribution to the well-being of their fellow citizens. By their voluntary work, these Canadians have shown an uncommon desire to improve the quality of life in their communities.

As Member for Brome—Missisquoi I am both happy and proud that a resident of my riding, Father Claude Piel, has been selected to receive this great testimony of appreciation.

A native of Brittany, Father Piel is a member of the Immaculate Conception Regular Canon Congregation. Since he first came to Canada in the early 1950s, he has always been known for his selflessness, his dedication to work, and his desire to improve the lot of his fellow man. More specifically, he has worked with the mentally handicapped and paved the way for their social rehabilitation. He did all that in addition to his duties in two major parishes.

Mr. Speaker, I echo the words of congratulations the Secretary of State will have for all the recipients this afternoon, and I extend special greetings to Father Claude Piel, an immigrant who became a great Canadian.

* * *

[*English*]

EXTERNAL AFFAIRS

LEBANON—CALL FOR SPECIAL MEETING OF UN SECURITY COUNCIL

Mr. Len Hopkins (Renfrew): Mr. Speaker, the senseless killing of children and innocent adults and the destruction of property and essential services in Lebanon is a sad commentary, to say the least, on human history. In the last 41 days it is estimated that 262 people have been killed and 932 wounded.

Now is the time to find out if there is a will and a sincere desire on the part of other world nations to try to bring an end to the 14 years of bloodshed and civil war.

Any member of the UN Security Council has the right to ask for a special session of the Security Council to discuss an important issue. It does not have to come from the beleaguered country.

Therefore we call upon the Government of Canada to request a special meeting of the United Nations Security Council immediately to debate the issue of war-torn Lebanon with the aim of giving the UN Secretary General direction and support to undertake negotiations for meaningful peace.

* * *

CITIZENSHIP

AFFIRMATION OF CANADIAN IDENTITY

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, as this is National Citizenship Week it is a most appropriate time to reflect upon the many advantages our citizenship grants us.

Our citizenship is the envy of the world. It offers people a chance for social and personal advancement, and has given them scope for their talents and energies. All Canadians are guaranteed equality of access and opportunity.

In Canada, there are no degrees or levels of citizenship. We are all blessed with the right to freedom of thought, religious belief and self-expression. We are free to think what we want and to make active representations of those views within the political structure.

Another distinctive feature of our citizenship is its affirmation of the cultural heritage of all Canadian citizens.

Multiculturalism and the cross-cultural understanding that it engenders are now proudly recognized as fundamental components of our national identity and add much to our sense of being Canadian.

Citizenship Week is an ideal time to think about our Canadian identity and of how our civic values further this nation's evolution as a compassionate and caring society.

Let us use this week to celebrate our glorious birthright and to share our pride and our hope for the future.

* * *

CHILDREN

CALL FOR CANADA TO SPONSOR WORLD SUMMIT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the United Nations Children's Fund is seeking a sponsor for a summit for children. Hopes are being pinned on the Canadian Government taking the lead on this international initiative since Canada is perceived as being neutral and has credibility that will provide the conference with the profile it needs to be successful.

The Government must realize that by further reducing Canada's commitment to the Third World and by attacking social programs at home it is sacrificing the growing minds and bodies of the next generation on the altar of adjustment policy.

The New Democratic Party supports the UN's call for a summit for children and urges the Prime Minister (Mr. Mulroney) to respond to the United Nation's request.

On behalf of my colleagues I have introduced a motion asking the federal Government to begin negotiations with the provinces in order to provide a Children's Bill of Rights for our country.

* * *

[*Translation*]

ECONOMIC DEVELOPMENT

ENVIRONMENTAL SITUATION—TRIBUTE TO THE TOWN OF REPENTIGNY

Mr. Jean-Marc Robitaille (Terrebonne) Mr. Speaker, quite recently at the Lanaudière economic summit, Repentigny Mayor and l'Assomption RCM Prefect Jacques Dupuis had this to say to the Repentigny Chambre of Commerce, and I quote:

> All projects initiated by Repentigny and, I believe, l'Assomption RCM, will reflect our major concern over the environment.
>
> All projects supported by the Repentigny Mayor and l'Assomption RCM Prefect will respect the environment and the quality of life.

Mr. Speaker, such is the dynamic approach of the Town and Mayor of Repentigny who is showing that it is possible to plan for economic development and still keep environmental considerations in mind. It is only a matter of wanting to do it.

Therefore I commend the Town and the Mayor of Repentigny for their leadership, and I hope all municipalities throughout Canada will take similar action.

* * *

• (1410)

[*English*]

MINES AND MINING

OPENING OF COAL MINE IN PICTOU COUNTY, NOVA SCOTIA—IMPACT ON CAPE BRETON

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the recent announcement by Westray Incorporated of their intention to open a new coal mine in Pictou County, Nova Scotia, with the assistance of the Government of Canada and the Government of Nova Scotia is frightening news for the employees of the Cape Breton Development Corporation. One of the founding principles of the Cape Breton Development Corporation was that it was to be the sole supplier of coal to the Government of Nova Scotia's wholly-owned Nova Scotia Power Corporation. Now that the federal and provincial Governments have broken this undertaking, much economic hardship will occur to the people of Cape Breton.

Why, Mr. Speaker, is the Government of Canada and the Government of Nova Scotia putting one poor area of a small province against another poor area of the same province? Should this particular operation proceed, it is inevitable, Mr. Speaker, that a coal mine in Cape Breton will be closed, throwing countless miners out of work. It will substantially reduce the revenue for the Cape Breton Development Corporation. It will also reduce a market for their particular product. I urge, Mr. Speaker, that the Government of Canada and the Government of Nova Scotia withdraw their proposed financial assistance to this particular operation and stop playing the cheapest political game in town which is setting one poor area off against another poor area.

THE BUDGET

FUNDING FOR RECONSTRUCTION OF TRANS-CANADA HIGHWAY IN NEW BRUNSWICK

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I know that all Hon. Members await the Finance Minister's Budget next week with both a sense of concern and resolve. We all know that priority choices will be difficult to make. Many essential decisions will be even more difficult to take. I want to mention one such priority briefly, Mr. Speaker, which is of great concern to New Brunswickers. That is the pressing and serious need for reconstruction of our Trans-Canada Highway from the Québec border to the Nova Scotia border which is indisputably the worst highway in the country. While I realize that highways are essentially a provincial responsibility, it is obvious that in the long run, with the total cost of the Trans-Canada Highway itself, not including connectors, estimated in the range of $15 billion in 1988, it would be impossible to conceive such a major undertaking without the federal Government's participation.

I would suggest it is important for us to recognize such a priority even though it may presently be impossible to determine the timing or the terms of such a commitment. What is clear and compelling is the fact that New Brunswick's Trans-Canada Highway is virtually obsolete, totally inadequate and truly dangerous. The time will come and soon when New Brunswick and Canada will have no alternative but to find a way to rebuild it completely. Thank you, Mr. Speaker.

* * *

AGRICULTURE

MEAT INSPECTION PRACTICES AT THE BORDER

Mrs. Marlene Catterall (Ottawa West): The Government is showing a cavalier disregard for the health of Canadians in the confusion it is allowing to continue around meat inspection practices at the border into Canada. On April 1 a truck crossed into this country carrying meat and chemicals in the same shipment. The Government owes it to Canadians to explain to them what action was taken and how quickly it was taken to make sure that contaminated meat did not reach Canadian consumers. Was this meat immediately tracked down, and if not, why was it not?

In January inspectors were ordered to cut by 75 per cent the inspections of meat coming into Canada. Adequate notice has been given to the Department that this order is contrary to the Meat Inspection Act. No response has been given to a letter asking for clarification. Instead, the spokesperson for the Government went on radio and said that the directive does not mean what it says. The Government must clear up this confusion so Canadians can have confidence in the meat inspection process in this country.

Some Hon. Members: Hear, hear!

* * *

SPORTS

TRIBUTE TO IAN MILLAR, WINNER OF WORLD CUP IN EQUESTRIAN EVENTS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, it gives me great pleasure to bring to the attention of this House the flawless performance given by Canada's Ian Millar and Big Ben at the World Cup in Tampa, Florida. Mr. Millar, who resides in North Elmsley Township near the Town of Perth, Ontario, has made show jumping history by becoming the first equestrian jumper to win the Volvo World Cup two years in a row. As Canadians we can be very proud to have such magnificent athletes representing Canada.

Some Hon. Members: Hear, hear!

* * *

CANADA POST

PRIVATIZATION OF MAIL SERVICE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, today the Minister responsible for Canada Post says he is examining the ending of Canada Post's 120-year monopoly on delivering letter mail and continuing his slow, inch by inch, piece by piece privatization of the Post Office without public discussion or debate in this Chamber. The Minister is reported to have said that he is not working on a proposal to privatize letter mail delivery, but he is considering it because others are suggesting it.

Mr. Speaker, it is time the Government put an end to the slow privatization of the Post Office and stopped considering foolish ideas like this one.

Some Hon. Members: Hear, hear!

M. Taylor: I call on the Minister to put his foot down and to say no to the private sector, which has no desire to ensure equal or adequate service to rural, remote or regional areas of this country. There must be no privatization of letter mail and the Minister must tell Canada Post management to work towards making the existing service better rather than continuing their plans to turn it out for their corporate friends to deal with.

* * *

VIA RAIL

GOVERNMENT SUPPORT URGED

Mr. Bob Corbett (Fundy—Royal): Nuclear submarines are important to the nation. So is VIA Rail. One is estimated to cost $8 billion, the other $3 billion. The difference is that the lesser of the two has a good chance for a significant cost-recovery. I urge the Government to give VIA that chance.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE AGREEMENT

ALLEGED CONCESSIONS TO U.S.—GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

A year ago, the Minister for International Trade declared he had not bothered to read the Free Trade Agreement we signed with the United States. Today, I think the Prime Minister should realize that apparently, his Minister has yet to read the Agreement, because yesterday he stated and I quote: "Never have two countries managed to agree on what constitutes an anti-trade subsidy". In that case, Mr. Speaker, why didn't the Government say so during the election?

Why did the Government sign a trade agreement that says the exact opposite? And finally, why did the Government make major concessions in the areas of energy, investment and so forth, promising us we would obtain concessions in return on the issue of subsidies?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Perhaps I lost something in the translation of this question, Mr. Speaker, but it is the most confused question I have ever heard the Leader of the Opposition ask, and that is really saying something.

All that I stated yesterday was that I don't know of any two countries—you can answer the question if you like, or perhaps you can understand the question better than I can, Mr. Speaker— that have yet managed to agree on a common definition of what is a trade-distorting subsidy. If that is what the hon. gentleman is referring to, we all know that in the negotiations leading to the Free Trade Agreement, we could not agree with the United States on the common definition of a trade-distorting subsidy.

Ms. Copps: You signed it anyway.

Mr. Crosbie: And therefore the agreement provides for a period of seven years for us to try to negotiate this question. That is what we intend to do.

Mr. Turner (Vancouver Quadra): I can really understand the Minister not understanding the question when he has not read the document.

PARTICIPATION BY THE PROVINCES IN THE NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, how can the Minister suggest that the subsidy negotiations are virtually impossible when his predecessor and the Prime Minister signed an agreement which was open-ended? A very important part relates to the subsidy negotiations with the United States. The Minister refused to give us a plan, a blueprint or a statement of objectives of what he has in mind. The Americans have been perfectly frank and clear in what their objectives are. The only thing the Minister said yesterday is that he does not intend to allow the provinces to be at the negotiating table.

Now the Americans, and he knows it, have stated it quite clearly that they consider virtually every one of the provincial regional development programs and the federal provincial programs to be against this agreement in terms of offending the definition of subsidy.

Why is it then that he will not allow the provinces to have a say? Why will he not allow the provinces to participate in the negotiations that will have a vital effect on them?

Hon. John C. Crosbie (Minister for International Trade): The Hon. Member wants to refight the past election. Why he would want to do that is beyond me because he was trounced. If he keeps refighting the last election, he will be trounced again and trounced repeatedly. So why he is on this tactic this afternoon, I don't know.

• (1420)

Why he is on this tack this afternoon, I do not know.

Ms. Copps: That is not what Rideout said.

Mr. Crosbie: This agreement is no more open-ended than the Member is open-mouthed. It takes two parties to agree. There is no provision—

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): The Prime Minister ought to take him out behind the woodshed, talking about trouncing—

Mr. Speaker: The Right Hon. Leader of the Opposition.

SUBSIDY NEGOTIATIONS—REQUEST FOR PARLIAMENTARY INPUT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that type of answer is not going to give the country much confidence at all, particularly the working people of this country who are dependent upon these negotiations on subsidies.

The Americans have made it quite clear what they want out of the subsidy negotiations. They set it forth in the presidential interpretation when their legislation was tabled in the U.S. Congress.

They want cut-backs in unemployment insurance. They want cut-backs in the ERDA agreement. They want cut-backs in Crown corporations. They want cut-backs in freight rate assistance. They want cut-backs in our stabilization programs. They got those before we even sat down at the negotiating table with the United States.

Could the Minister, in a rare display of commonsense, give us a rational answer? What exactly is the Government's plan? The negotiations on subsidies are vital for the future of this country. Why will the provinces not be involved, as he has said?

Will he give this Parliament an opportunity to participate and review these negotiations as we did not have on the negotiations for the agreement itself? Will he make this a more public process because of its vital nature for the future of Canada? I put that to him seriously.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Leader of the Opposition is fascinated by what the Americans want, by their timetable and by their agenda. We are setting our own agenda. He can go along with the American agenda; we are going with our agenda.

INTERPRETATION OF UNFAIR SUBSIDIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister for International Trade. The U.S. Government has made abundantly clear in its recent countervail actions against Canada what it considers trade distorting subsidies to be and which Canadian programs fall into that category.

Will the Minister make clear to Canadians today what interpretation of unfair subsidies his Government intends to defend in the subsidy negotiations with the Americans?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we are going to maintain our position with reference to what is a trade distorting subsidy and what is not. We will start by asking the Americans for an inventory of their subsidy practices so we can have a look at theirs.

At Montebello on the weekend it was resolved that the way ahead for Canadian Liberals is to return to the tried and true values of the past. You are a forward-looking group, that's for sure.

[*Translation*]

PARTICIPATION OF PROVINCES IN NEGOTIATIONS—GOVERNMENT POSITION

Mr. G. Francis LeBlanc (Cape Breton Highlands—Canso): I have a supplementary for the same Minister, Mr. Speaker. The Government still refuses to disclose its position on the Canadian definition of a subsidy. We know the American definition. Canadian programs that would be affected include federal-provincial regional development agreements and provincial programs. Why not ask the provinces to participate directly in these negotiations since they are directly concerned?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is my understanding that interprovincial trade and international trade are within the constitutional jurisdiction of the Government of Canada. We are quite willing to consult and, in fact, we are consulting with the provinces before negotiations, after negotiations, and during negotiations. But the Government of Canada will conduct the negotiations. That is our constitutional responsibility and our constitutional jurisdiction. We will not share that with anyone else.

We are the Government of Canada and we have responsibility in international trade. Consultations, yes, that is what we are doing with the provinces. We will continue as we did so successfully in the last four years as contrasted with the previous 10 years which created chaos in Canada because the Liberal Party was completely centrist and would not consult with the provinces at all.

* * *

TAXATION

NATIONAL COUNCIL ON WELFARE REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. I was in Newfoundland on the weekend and I heard—

Some Hon. Members: Oh, oh!

Mr. Beatty: A first-time visit?

Mr. Broadbent: Wait for it.

While I was there I heard an interesting old quote by the Minister for International Trade in which the National Council on Welfare has a real interest.

A few years ago the Minister for International Trade said, with reference to his own Party, that: "If the people of Canada knew what we were going to do in advance they would never vote for us". It was one of those rare moments of candour coming from the Minister for International Trade.

Today the National Council on Welfare has produced a study of what the Conservative Government has actually done with the tax system since the 1984 election. The net effect has been for taxes on the rich to go down by over 6 per cent while taxes on middle-income people went up 17 per cent and personal taxes for the working poor in Canada went up by a whopping 60 per cent.

Since he has always talked about fairness before Budgets, is this what fairness has meant for the Conservatives, and is this what the working poor and average Canadians will see in the coming Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not had occasion to look at the document to which my hon. friend refers, but in general terms he seems to be talking about the working poor and greater social justice. He would probably agree that over the last four years the creation of 1.4 million new jobs is the greatest contribution to social justice that a Government could make.

The number of Canadians living below the poverty line has fallen by 549,000 since 1984, including 179,000 fewer children and 61,000 fewer senior citizens. I know my hon. friend would agree that those are very important social policy considerations.

I think we have made much progress toward a greater degree of social justice. We can surely do a lot more, and hopefully the Budget and the actions of this Parliament over the next four years will improve upon an already enviable record.

REQUEST THAT GOVERNMENT ADOPT COUNCIL'S RECOMMENDATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, that is just what I was alluding to. In the past the Prime Minister has said there would be fairness and improvement for the working poor, for the average family. Notwithstanding the number of working poor having gone down, the reality today is that there are about four million Canadians living in poverty and the Conservative Government has increased their taxes since 1984 by 60 per cent, increased the taxes on the average family by 17 per cent, and reduced them for the richest Canadians. That is a reversal of where a commitment to social justice should lead a Government.

Since all of these Canadians are living at the poverty level and the tax system is working increasingly in an unfair direction, will the Government for once listen to people like those on the National Council on Welfare who have produced this assessment and bring in their practical reforms, instead of just listening to the big business community that has virtually written the Throne Speech and no doubt will write the Budget as well?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is offended by the input of the business community. We are not offended by the input of the business community at all. The business community, like the labour community, represents a very major

contribution to our national well-being and we welcome the input of all citizens. We do not denigrate anyone in terms of their contribution to the Budget process.

My recollection is that the data provided some time ago by the Minister of Finance indicates that subsequent to tax reform some eight Canadian families out of ten would be paying less tax; nine Canadian senior citizens out of ten would be paying less tax since tax reform, and 850,000 Canadians were removed from the tax rolls entirely. That is social justice.

• (1430)

Mr. Broadbent: We went through this whole routine before. This Government, after its first two years in office, increased the number of Canadians on the tax rolls by over one million and then changed the tax system to bring them back off the rolls. It is the Government that has been playing around with the numbers. I have something very concrete to ask.

[*Translation*]

SALES TAX INCREASE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Since the last election, the Government, according to this study, has increased sales tax by 5 per cent, and during the election campaign, the Minister of Finance suggested that under a Conservative Government, the new sales tax would go up to 9 per cent, which means another $1,000 per year for the average family.

My question is just this: Can the Minister guarantee Canadians that the Government does not intend to introduce this new sales tax and, instead, will introduce a new tax on profitable companies which are not paying a cent of income tax at the present time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there have been some sweeping changes with respect to Canadian corporations, and an increasing number of corporations which formerly were exempt from income tax now pay their fair share with everyone else in Canada. We are talking about a major tax reform that was announced by the Minister some time ago. We still have a long way to go in this area, but we intend to deal with this problem.

Regarding the fundamental question put by the Hon. Member, the Department of Finance has already announced that, after adjustment for inflation, personal disposable income in Canada after taxes has increased by $1,100 since 1984. Those are hard facts. That is social justice which benefits those in our society who are less well-off.

* * *

[*English*]

CANADA POST CORPORATION

FIRST-CLASS MAIL—REPORT OF POSSIBLE PRIVATIZATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister and concerns the Government's latest attempt at destroying one of our national institutions, this time the Canadian postal service.

Some Hon. Members: Oh, oh!

Mr. Boudria: Mr. Speaker, losing the Post Office is nothing to laugh about. Numerous media reports today confirm that the Minister responsible for Canada Post, in cahoots with the right-wing Fraser Institute, is planning to privatize first-class mail in Canada.

Given that this policy is contrary to the Government's own Marchment Report and that it would effectively put an end to rural mail service in Canada, if not totally destroy the Canadian postal system, will the Prime Minister tell the Minister responsible for the Post Office to hold his horses and cut out that kind of nonsense right now?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I suggest the Hon. Member should re-read the article. If he reads the article in question, he will see that all I said was that I have an open mind to any changes in—

Some Hon. Members: Oh, oh!

Mr. Andre: I have an open mind to any changes in Canada Post's operations which will lead to a more efficient, more effective organization, including opening it up to more private sector competition.

I realize that a closed mind is more appealing to Members of the Liberal Party, but I think that to fulfil one's responsibilities, one should be open to new ideas. The fact that things worked last century does not mean that they have to be strictly adhered to this century. We can always improve.

Mr. Boudria: Mr. Speaker, I cannot understand why the Minister speaks of an open mind and attends a conference sponsored by the Fraser Institute.

[*Translation*]

FRASER INSTITUTE'S INVITATION TO MINISTER—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the Prime Minister. I have here a program of the Fraser Institute Conference which indicates that the Minister responsible for Canada Post will be the guest speaker at a conference to be held shortly on the privatization of the Canadian Postal Service.

In view of the fact that the Fraser Institute is a far right organization which is against daycare, against bilingualism and against social development, does the Prime Minister agree with his Minister's behaviour? Why does he not forbid forthwith his Minister to appear at this Conference?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, that attack on the Fraser Institute is something I will let the Fraser Institute deal with. I find it pretty shocking that a Member of this House should say that it is forbidden to listen to the ideas of a think tank from Vancouver, that it might have some ideas which will contaminate.

Mikhail Gorbachev can listen to new ideas; the Liberal Party apparently cannot.

Some Hon. Members: Oh, oh!

Mr. Andre: I would suggest that the Hon. Member should return to Hawkesbury and talk to his constituents. I have an article here from the Hawkesbury paper which says that a bunch of people were asked if mail service is getting better. Marilyn Hill said yes, Gaston Laviolette said yes, Chantal Letourneau said yes, Monique Fournier said yes. The Hon. Member's constituents say yes.

Some Hon. Members: Hear, hear!

* * *

CANADA ELECTIONS ACT

CHIEF ELECTORAL OFFICER'S REPORT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday the Chief Electoral Officer tabled his report to Parliament. He concluded that the last election was a mess.

Some Hon. Members: Oh, oh!

Mr. Milliken: The results indicate that he was right.

Some Hon. Members: Hear, hear!

Mr. Milliken: Thousands of Canadians were left off the voters' lists, inexperienced Deputy Returning Officers were appointed at the last minute and millions were spent on third party advertising, making a mockery of the spending controls in the Elections Act. To quote the Chief Electoral Officer, the election system is on the verge of collapse.

After four years of indolence, when will the Government act to deal with the recommendations of the Chief Electoral Officer?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not surprised that the Hon. Member would associate himself with the conclusion of the Chief Electoral Officer, albeit in a perhaps somewhat different context.

Quite frankly, what is at issue here is the failure on the part of the Hon. Member's Party and the New Democratic Party to agree on changes that were incorporated in Bill C-79, notwithstanding the fact that I appealed to the two House Leaders and their critics on no less than four occasions and had many, many discussions with them about cleaning up the Elections Act and putting in place those necessary changes which were enshrined in Bill C-79. That in fact was the big issue that denied many citizens of Canada the right to vote in the last election.

COMPOSITION OF COMMISSION OF INQUIRY

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Hon. Deputy Prime Minister knows perfectly well that we on this side of the House cannot hold up legislation. It takes three to make an agreement in this House and the Deputy Prime Minister had it in his power, as he knows, to agree with the proposals put forward by this Party and by my friends on my left. Having said that, after four years, the country is now looking for some leadership on this issue.

The Deputy Prime Minister knows that in the Speech from the Throne, there was an announcement of a Commission of Inquiry to be appointed to inquire into the Elections Act. Could the Minister tell us when he will discuss with his opposition counterparts the make-up of the committee, its terms of reference and the proposed date for its report?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, indeed we have been waiting for the report of the Chief Electoral Officer to look at some of the recommendations that he has brought forth. I have discussed some of the proposed terms of reference with him. We are in the process of defining those terms of reference, and I would hope that we will be in a position to discuss this with Members opposite in the very near future.

To reiterate, I wish to state that the Chief Electoral Officer said that 85 per cent of the problems would have been cleared up if Bill C-79 had been passed. The opposition Parties failed to concur with the Government on that particular issue—

Mr. Gauthier: Wrong. You are the Government.

Mr. Mazankowski: —and they bear the responsibility.

Mr. Gauthier: Two hundred and eleven you had.

* * *

REVENUE CANADA

DEDUCTIBILITY OF UNDER-THE-TABLE PAYMENTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday his Minister of Finance challenged us in the Opposition to come up with a tax measure that could be eliminated in order to salvage some expenditure cuts in next week's Budget.

I have here a copy of a January, 1986, circular from Revenue Canada. It allows both individuals and corporations to deduct from their income tax certain bribes and certain kickbacks.

In fact, on kickbacks and bribes Section 5 states: "An unvouchered expenditure that maybe described as an under-the-table payment is not deductible unless the following conditions are met: (a) the recipient therefor is identified, and (b) the expenditure was made or incurred to earn income and the amount was reasonable in the circumstances".

Can the Prime Minister explain why under-the-table payments, kickbacks and bribes are still deductible under the Conservative Government? Can he explain why, after more than four years as Prime Minister, he has not moved to end this offensive program of his Party?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I am not quite certain from what document the Hon. Member is quoting. Let me assure him, and I know that he is going to come across the floor—

Some Hon. Members: Order.

Mr. Jelinek: A good way to run for the leadership.

I can assure him that, over the last five years, the Government has been taking every step to make the system fair for Canadians. As a result, the returns have come in thus far in record numbers. Let me assure the Hon. Member that Canadians are better off under tax reform than they were before.

In any event, I would be very happy to study the circular and come up with a specific answer to this questionable circular when I have had a chance to look at it.

Mr. Nystrom: Mr. Speaker, the "questionable circular" comes from his own Department. If the Minister will check Sections 1 and 5 he will find that under-the-table payments, bribes and kickbacks are all tax deductible under certain circumstances, a practice, by the way, which has been ended in the United States.

My supplementary question is directed to the Prime Minister, as the Head of Government.

[*Translation*]

PRACTICES NOT RECOMMENDED – GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): In view of the fact that the Canadian public finds bribes and other under-the table payments extremely degrading, Mr. Speaker, my question is this: Is he going to put an end to this practice now? And will he make public next week how much this practice costs Canadian taxpayers every year?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the Hon. Member knows that the Government, under the leadership of the Prime Minister, has done more to clean up what was left with us from the previous Liberal administration than any Government in the history of the country. The Canadian public know it, and that is why we are back here and not on the other side.

In response to the Hon. Member's specific question, I will repeat what I stated earlier. I will be glad to look at the piece of paper that the Hon. Member handed to me. I will look at it and return with a specific answer for him tomorrow.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. FRANÇOIS LONCLE, PRESIDENT OF THE CANADA-FRANCE SECTION OF THE INTERPARLIAMENTARY ASSOCIATION

Mr. Speaker: I wish to draw the attention of Members to the presence in our Gallery of Mr. François Loncle, M.P., President of the Canada-France Section of the Interparliamentary Association.

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[*English*]

REVENUE CANADA

USE OF SOCIAL INSURANCE NUMBERS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is directed to the Minister responsible for Revenue Canada.

Less than one year ago the Government made a commitment to eliminate the use of Social Insurance Numbers as a federal identifier for other than the basic requirement originally intended.

Last fall the Government moved to require it for anyone who deals in bonds, T-bills, interest-bearing accounts, and generally all commercial paper. This has greatly upset a good number of people who now feel, rightly so, that they could be made vulnerable to fraud and theft.

Will the Minister instruct his officials to comply with the announcement from Treasury Board last June, and eliminate the need and the requirement for SIN disclosure, along with the offensive fines and other punitive threats that have been made for non-compliance?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, let me assure the Hon. Member, and all Canadians, that no taxpayer need be worried about vulnerability as a result of providing their Social Insurance Number with their tax returns.

As the Hon. Member knows, Canadians have been required to provide the SIN number since 1967. Every individual Social Insurance Number is protected under the security provisions of the Income Tax Act.

We are constantly working in conjunction with the Minister of Finance and with Treasury Board to try to improve the situation, and I am satisfied that we have made a great step forward in improving the situation thus far, and will continue to work on it further.

The bottom line is that no Canadian need be worried about their confidentiality.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

INTEGRITY OF PROGRAM FOR FISHERMEN—MINISTER'S POSITION

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week, in her reply to one of our colleagues, the Minister stated that the unemployment insurance scheme for fishermen would remain intact. The words she used were "full and unchanged". Yet, during her press conference, the Minister changed her tune. She said that changes would be forthcoming following consultations with the Minister of International Trade and the Minister of Fisheries and Oceans. Could the Minister enlighten us and come clean with us?

Will changes to the special program for fishermen be announced in the Budget speech? Could she tell us whether she has bad news in store for some 30,000 families in the Atlantic area who news on unemployment insurance? What is the truth?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I stated that fishermen are not included in the manpower strategy.

[*English*]

The comment that I made was that a policy regarding fishermen would involve a number of Departments. I did not in any way suggest there were any changes contemplated at this time.

MINISTER'S STATEMENT

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my supplementary question is the following. The fishermen and all those families who depend on UIC would like to know what the Minister meant when she said that the changes to UI for fishermen are going to involve different kinds of changes and would only come after discussion with the Minister for International Trade and the federal Department of Fisheries and Oceans to determine what changes can and will be made to this program.

What did the Minister mean by those words, and why did she use them?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thought I answered that question in response to the first question of the Member. I was asked specifically about the program for fishermen. I said it was outside this program. I said that if and when any changes were contemplated it would involve discussions with other Ministers. I do not see anything remotely threatening in that statement for the people involved in the fishing program under UIC.

* * *

• (1450)

TRANSPORT

ATLANTIC FREIGHT RATE ASSISTANCE PROGRAM

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. The Atlantic freight rate assistance programs are not promises or a commitment but a negotiated constitutional right. The Deputy Prime Minister, when he was Minister of Transportation quoting the Prime Minister, assured Atlantic Canadians that the freight rate subsidy program would be maintained. Freight rate subsidies create millions in sales and affect over 12,000 Atlantic Canadians. My question to the Minister is this. Will the Minister give his commitment on the floor of this House to the continued maintenance and present funding levels of the maritime freight rates?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we have said many times that questions of this kind, which inevitably have a financial impact and therefore relate to the Budget, will be answered when the Budget is presented on April 27. I have no other answer to give than that.

[*English*]

REQUEST FOR ASSURANCE ON FUTURE OF PROGRAM

Mr. George S. Rideout (Moncton): Mr. Speaker, I have a supplemental question. This Government is unnecessarily fueling business uncertainty in Atlantic Canada. This issue cannot be subjected to the whims and fancies of the budget process. We need a clear, unequivocal commitment.

Will the Prime Minister please give Atlantic Canadians this Government's assurance that maritime freight rate assistance programs will not be touched?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will give the same answer in English that I gave in French. I am particularly—

Ms. Copps: That bad!

Mr. Bouchard (Roberval): —if the Member from Hamilton East would shut her mouth it would be easier.

Some Hon. Members: Right on.

Mr. Speaker: Perhaps the Hon. Minister could complete his answer.

Mr. Bouchard (Roberval): Mr. Speaker, I am very proud to be a member of this Government which has done much more than you did in five years for Atlantic Canada. I think that we have a lot of programs, and of course you were against the most of them. It is normal. I repeat concerning the earlier question you raised, that this question if it has to be answered will be answered in due course on April 27.

* * *

UNEMPLOYMENT INSURANCE

PROPOSED CHANGES—EFFECT ON COMMUNITY WELFARE ROLLS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. It is a very straightforward question, as I always ask.

Can the Minister tell this House what the cost of her proposed changes to the UI will be on the welfare rolls of communities like Belle Island in Newfoundland, and Sudbury, Ontario? Does the Minister from Rosedale not recognize the devastating impact that her proposed changes will have on these communities, which are already strapped for money?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I will ignore the fact that the Member got my riding wrong, and simply suggest to him that there are enormous benefits for small communities in this new program. I think he should be congratulating us. There are many communities in his part of the world that will benefit from the increased funding to Community Futures.

As for Newfoundland, let me just reiterate that there will be $15 million more going into Newfoundland as a result of this program than would have been going in otherwise, including a $50 million enhancement of the Community Futures Program. There will be resources for entry level skills training. There will be $350 million for non-apprentice trainees. There will be an additional $50 million for the provision of training and work experience to social assistance recipients. There is a $100 million towards new services for displaced older workers. There is $45 million self-employment entrepreneurship in the building programs.

Some Hon. Members: Order, order!

Mrs. McDougall: Perhaps the Hon. Member would like to hear some more, Mr. Speaker.

Some Hon. Members: Hear, hear!

REQUIREMENTS FOR PROJECTED FUTURE JOBS

Mr. John R. Rodriguez (Nickel Belt): I direct a supplementary to the same Minister, Mr. Speaker. According to a planning document prepared by the Minister's Strategic Policy and Planning Division, published in August, 1988, the top 10 occupations facing the greatest job growth in the next six years include sales persons, food serving occupations, cashiers, janitors and cleaners. The document goes on to say that "by and large low to medium skill levels characterize these occupations with most requiring little or no post-secondary education or training." Does not the document from the Minister's own Department reveal what a farce those changes are? Aren't they simply designed to trample workers into low paying jobs, or in Joey Smallwood's words, resettle them in Toronto?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think that one of the things that the Hon. Member must take into account is that the kind of training that we are providing for people is to get them out of low paying unskilled jobs into better jobs. If the Hon. Member would just raise his sights and help the people in his community take advantage of the program to get them out of low paying jobs, and particularly the women of his riding, then I think that they would all be better off. We are prepared to help them on this side of the House.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

LEBANON – REQUEST FOR UNITED NATIONS EMERGENCY DEBATE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It pertains to the serious situation in Lebanon.

Yesterday Lebanon experienced its worst bombing in 14 years. The latest outbreaks of violence have claimed hundreds of lives, and countless casualties. Our Party has always said that violence and aggression are not the route to national reconciliation. The situation has intensified and is growing worse each hour.

Is the Secretary of State prepared to exercise Canada's right as a member, both of the UN and the Security Council, and call for an emergency debate in the Security Council regarding this crisis?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the great seriousness with which the Hon. Member and all Members of the House take the situation in Lebanon. His question was precise as to whether we would be prepared to exercise our rights. In the appropriate circumstances we would, of course, be prepared to do that.

I think one of the elements of this tragedy that is of concern to us all is that this is not a matter that debate will resolve. It is very important that there be diplomatic pressures and such others as may apply, upon the Arab League or others who may have influence in Lebanon. We are following all of those examples.

I give the Hon. Member my assurance that if the point arrived where we thought it would be helpful for there to be the kind of debate that he has recommended, we would certainly initiate that debate.

ASSISTANCE FOR REFUGEES

Mr. Jesse Flis (Parkdale—High Park): My supplementary is to the same Minister, Mr. Speaker. The people of Lebanon are crying out for help. It has taken two months and a special appeal from the Red Cross of Canada to offer any kind of help to that country. While we applaud this gesture, though late in coming, I ask the Minister what immediate steps is the Government undertaking to ensure increased assistance is made available to the refugees who are fleeing Lebanon to neighbouring countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member just referred to the announcement that was made by my colleague earlier this week of a substantial Canadian contribution to the International Red Cross to deal with precisely that problem. We will continue to look for other ways in which Canada might be able to be of help in resolving the problems of refugees in Lebanon. We will also look for ways in which we might be able to encourage the forces of peace in that country, and in very many ways the ultimate responsibility for that—I don't mean to shed the responsibility of Canada or others—rests with the Lebanese themselves. We certainly want to do everything we can to encourage all elements in that country to recognize the tragedy of this situation, and to take actions to bring it to an end. To the degree that Canada can help we shall help.

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AIRPORTS

PROVISION OF RESCUE SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. In the spring of 1987 I and my colleagues called upon the Government to provide for a rescue component, as well as a firefighting component, at major Canadian airports. At that time the Government said it was not necessary.

A few days ago, thanks to the Minister of State (Transport), I received a copy of a consultant's report, commissioned in the fall of 1987, and received by the Department this past December. That report recommends that rescue staff be added at a number of major Canadian airports, in addition to the firefighting staff. Will the Minister accept this recommendation and immediately request sufficient additional dollars and person years from Treasury Board to provide this lifesaving service?

Some Hon. Members: Hear, hear!

• (1500)

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as well as to the Hon. Member, the report was sent out to interested parties who had taken part in the consultation process. They have provided their input to me as well as to the Department. It is being studied. Action will be taken on it.

REGIONAL AIRPORTS—FIRE-FIGHTING SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is addressed to the Minister of State for Transport.

The report recommends that the way to pay for this provision of rescue services is through the elimination of fire-fighting services at a number of regional airports throughout Canada, airports such as those at Baie Comeau, London, Norman Wells, Prince Rupert, Stephenville, Whitehorse, and Yarmouth. Will the Minister not indicate that they were prepared to go to Treasury Board for additional moneys and additional person years? At the very least will the Minister repudiate this part of the recommendation and say that in no way, under any circumstances, will the Government of Canada eliminate or reduce the ability of Transport Canada to provide fire-fighting services at these small regional airports?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, in sending out the report for consultation I made a point in the letter that I sent out with it in which I stated that I did not agree with that recommendation.

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[*Translation*]

EXTERNAL AID

REQUEST THAT WORLD SUMMIT BE HELD FOR BENEFIT OF CHILDREN

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Minister for External Relations and concerns a world summit for children.

The Third World's foreign debt burden has forced governments to reduce health expenditures by 50 per cent. Children suffer as a result.

Will the Minister honour the commitment to help the poorest countries and people with a summit where developed and developing countries could deal with the problems of the world's children who live in extreme poverty, even in Canada?

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, Canada has already done much to deal with the various problems set forth in the UNICEF report. I think it is worth pointing out the wonderful work UNICEF does to aid women and children, particularly in Third World countries. And I would like to add that Canada is the fourth largest contributor to UNICEF.

Mr. Speaker, my hon. colleague refers, as does the report, to the disastrous effects of the debt on children and on Third World countries. In this regard, I would mention that I was very glad to table yesterday in the House the Bill that will cancel the debt of some sub-Saharan African countries, as a result of the Government's commitment.

Mr. Speaker, my hon. colleague referred to health. There too, we have contributed $120 million to a universal immunization program.

I think that those are all very concrete actions to help the poorest and especially children in Third World countries.

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION ACCIDENT INVESTIGATION BOARD

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Bouchard (Roberval) that Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof be read a second time and referred to the Standing Committee on Transport.

Mr. Riis: Madam Speaker, I rise on a point of order. When debate ceased for Question Period and the House recessed the Hon. Member for Winnipeg Transcona (Mr. Blaikie) was on his feet. Other duties require that the Hon. Member be out of the House. I suggest that we continue on with the regular schedule of speakers.

Mr. Tom Wappel (Scarborough West): Madam Speaker, I appreciate the opportunity to be able to say a few words in connection with Bill C-2. I understand that at this time we are discussing the Bill in principle as opposed to in detail. However, I would like to bring a few matters to the attention of Members on the government side. Hopefully, someone there will listen to some of the concerns I am going to express and perhaps take them into account when the matters are discussed in committee.

Scarborough West is one of the ridings which is part of Metropolitan Toronto—

The Acting Speaker (Mrs. Champagne): The only reason I interrupt the Hon. Member is so that we can have a little more quiet in the House. I think that would make it easier for the Hon. Member to speak and for the Speaker and everyone else to listen.

Mr. Wappel: Madam Speaker, as I was saying, Scarborough West forms part of Metropolitan Toronto. Metropolitan Toronto is very concerned about transportation, as I am sure are other areas, but specifically Toronto since it has the Pearson International Airport. There are many rail lines going through it. It is located on Lake Ontario. It is a port both for Great Lakes shipping and international shipping. Needless to say the people of Toronto and the people of Scarborough West are very concerned with transportation safety.

That being said, I would like to discuss some of the specifics of Bill C-2 beginning with the stated purpose of the Bill. It is to advance transportation safety. Who could possibly be against such a purpose? We are all interested in the advancement of transportation safety.

How will this Government advance the safety of the Canadian public? We have before us Bill C-2, which is a rather lengthy document. The first thing that it proposes is the establishment of a Transportation Accident Investigation Board.

I would really appreciate it if some Hon. Members would allow me the courtesy of making my remarks.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): The Chair has tried to bring all Hon. Members to attention. I would like the Hon. Member to notice that the noise does not come from only one side of the House.

Mr. Wappel: Madam Speaker, I am delighted with any noise on this side of the House.

As I was saying, there is to be a proposed board. This proposed board it is suggested will apply its efforts to three separate areas. They are aviation occurrences, marine occurrences and railway occurrences. I have a conceptual problem with this idea. The types of occurrences that will occur, hopefully very infrequently, with respect to these different types of transportation are so completely different that it seems foolhardy to group them all together so that they fall within the jurisdiction of one five-member board.

I raise this matter because this Bill was brought forward in order to replace an Act which the Liberal Party brought forward in 1984 which established the Canadian Aviation Safety Board. I mention that board specifically because in that legislation we were dealing with aviation safety. We were talking about a board which was established for the specific purpose of dealing with safety in aviation. We now have a board which will be established for the purpose of dealing with all types of transportation. If it is possible for the members of the

board to deal with those types of transportation, then that is fine. But what kind of qualifications do the board members have to have? Other Hon. Members have already referred to Clause 4(2). All that is required is that the members of the board "—be collectively knowledgeable about air, marine, rail and commodity pipeline transportation". That seems to me to be a requirement for a Renaissance man. I would be very interested to see if we can find people who are collectively knowledgeable about those four different types of transportation.

Can you imagine, Madam Speaker, the difference between the problems experienced by an aircraft which develops trouble and the problems experienced by transporting commodities via pipeline and transporting them via a rail system? There is such a vast diversification of potential problems that to force the five member board to have a collective knowledge of all of these different types of transportation is dangerous. I would ask the Government to consider having three different boards to deal with the three different areas: aviation, marine and railway and commodity occurrences. That is the first comment I would like to make.

• (1510)

The next comment is about how this Board is going to be constituted. A chairman will be appointed. There are no qualifications set forth on the appointment of the chairman. Under that chairman, there will be three branches, each of them headed by a director, the so–called director of investigations. There is no definition of the qualifications of a director of investigations.

Indeed, we are going to have the situation of the chairman who has no specified qualifications appointing the three directors who have no specified qualifications. Then there will be other investigators. It is interesting that in this Act the word investigator is defined as any person referred to in Paragraph 10 1(a) or (b). If you look at Paragraph 10 1(a) or (b), it does not give any further help as to the definition or qualifications of an investigator. Accordingly, I suggest that there be some discussion and some fix in the Act about the types of qualifications necessary. If we are going to have a multimodal situation and one chairman, we may end up with a chairman whose major interest is aviation. The chairman has the exclusive responsibility for managing personnel matters, financial matters and property matters as we see in the Act. He has as well the exclusive responsibility for directing the staff. Here I think it is important to note in Section 5 (2)(a), and apportioning its work; (b) directing the members and apportioning their work.

I suggest that there may be perhaps an unintentional but nonetheless human bias for someone who is particularly interested in aviation to apportion work in the aviation area as opposed to railway transportation investigations or commodity and other types of investigations. Along with that, that person would be appointing the various directors of investigation who no doubt would have the focus that the chairman would want at that particular time. I would suggest that there should be some direction in the Bill as to who can be appointed and on what qualification.

One of the speakers this morning indicated that the Canadian Aviation Safety Board has been compromised. I agree with that comment. It is most unfortunate, but there is no question that there is a lack of confidence in transportation safety by Canadians today. He went on to say that this Act will restore that confidence. I have difficulty understanding the logic behind those remarks. I do not understand how replacing one Act by another Act in and of itself is going to restore confidence. To restore confidence we need an Act that makes some logical sense, one that is promulgated and implemented in a logical and consistent fashion independently. It will then demonstrate that it deserves the confidence of the Canadian public.

With respect to some of the other difficulties that I have discerned in my review of Bill C–2, what happens if there is a transportation accident? Take an aviation accident. That accident is then brought to the director of investigations for the air. That is in Section 10(2). That investigation department conducts an investigation, brings forward its findings to the Board which consists of up to five members who are collectively knowledgeable about air, marine, rail and commodity transportation. They then digest this report. Do they make it public? No, they do not.

What is the next step as this Act states? The next step is to prepare a draft report. Where does that draft report go? The Act states that it is a confidential document. It goes directly to the Minister of Transport. Why? Obviously it is so that the Minister of Transport can see that draft report before anyone else sees it. The Act is quite blunt in that it then gives the Minister the opportunity to make representations with respect to it. It is only after the representations have been made and the Board has considered them as they must do under the Act that a final report is made public.

Is that a problem? I suggest that it could very well be a problem because of the need to perceive that such a Board investigating accidents is independent, that it is not under the thumb of any particular Minister. Not only must it be independent, it must be seen to be independent. I have a real difficulty where the Act requires that the draft report be submitted to the Minister for his review and recommendations before it can be made public. The perception might be that if there is a minority report, if there is a report that perhaps could embarrass the Government of the day, that the Minister concerned would have the opportunity to make representations which may be perceived by the public as attempting to influence the final report. If the public is not confident that the Board is independent of the Minister, we are not going to have confidence in the Board and its reports.

It seems that it is designed to breed allegations, to breed questions in Question Period, to breed non-confidence as opposed to confidence.

There is also a potential for conflict in Section 24. In Section 24(2) the Act requires that the Board shall—and of course this is mandatory—"on a confidential basis" send a copy of the draft report to the Minister. It is clear that the draft report is to be confidential. It is clear that it is a mandatory requirement. There is no discretion on the Board. It must do this.

Two sections later, however, in Subsection (4), we see that the Board shall again mandatorily receive the representations made pursuant to Subsection (2). What are they supposed to do with those representations? They are supposed to keep a record of those representations. If you are going to keep a record of representations, one presumes that that record is going to be public. How can you have a public record of representations dealing with a confidential report? Surely the representations that are going to be kept by the Board dealing with the confidential report are going to be talking about matters in the confidential report.

I find it difficult to follow the rationale there. If we are going to have confidentiality, then we have to remain completely confidential. I suggest that that is not going to build confidence.

The final thing that is going to build confidence is the bottom line. What is the bottom line here? The bottom line is very clear. Whenever a safety board delivers its report, that safety board's report should be listened to. What is the use of this board and that board and the next board delivering all kinds of reports if no one reads them, if no one follows the recommendations contained in them? It is key that we have a commitment to a board whose reports are going to be followed.

• (1520)

We have seen that that has not been the case in the past with the Government. The Canadian Air Safety Board has made specific recommendations with respect to Pearson International Airport, for example. Has the Government listened to those recommendations? No. If we want to have confidence in the new Board that this legislation will create, there must be a commitment by the Government that the report of these boards will be heard and implemented.

With those words, I look forward to the committee work on this Bill. While the spirit is there, the flesh is weak.

Mr. Skelly (North Island—Powell River): Mr. Speaker, my question for the Hon. Member deals with safety. There is a situation concerning airport safety that has existed for more than a decade. It involves the federal Government's responsibility for sharing in airport infrastructure.

At Campbell River there is an airport road which is in disastrous condition. The medical association of Campbell River has said it cannot, in many cases, advise patients to use that road for Medivac. Ambulance drivers do not want to use that road. People who work there have raised the problem of road safety many times.

Does the Hon. Member believe that this Board should be able to examine questions of infrastructure when it concerns a serious situation like that of the Campbell River Airport road?

Let me provide a bit more information. Because this road connects to a provincial highway, the provincial Government offered to pay a third of the cost. The MLA, Colin Gabelmann, worked very hard and secured support for that. Mayor Bob Ostler and the Campbell River council offered to pay a third of the cost because some of it was within the district of Campbell River. Ultimately, the greatest part of the road joins the federal airport to a provincial highway. It is in such disastrous shape that the medical association, those associated with the hospital, and those transporting patients for Medivac will not propose the use of that road in many cases.

Should the matter of airport infrastructure and safety be a subject of investigation? Should the federal Government be paying for those costs of road structure and maintenance, sharing it with them, particularly because that is exactly what it did at Williams Lake? It covered the entire cost to join that airport to a provincial highway, which is essentially the same distance.

Mr. Wappel: Madam Speaker, as I understand the Hon. Member's question, it deals with whether the Board should be concerned with the infrastructure. Clause 7 of Bill C-2 describes one of the objects of the Board as identifying safety deficiencies as evidenced by transportation occurrences. Admittedly, we are talking about aviation, marine, railroad. However, I think the Board should be given a broad enough mandate so that wherever road systems infrastructure or any kind of infrastructure that is involved in any of those types of transportation impacts in any way on any potential safety, clearly the Board should have the mandate to make recommendations in order to avoid that kind of problem in the future.

Mr. Walker: Madam Speaker, I thank my hon. colleague for his excellent comments on this legislation. He has accurately pointed out many of the pitfalls. I want to draw the attention of the House to the comments by the Member for Winnipeg—Transcona (Mr. Blaikie) to show the difference between quality research and quality thought and a Member who simply stands up to ramble on. The Hon. Member for Winnipeg—Transcona mentioned in his speech that I was nervous when he stood up to speak. Let me say that I am quite nervous when he stands up to speak, lest other people think that he represents Winnipeg.

I have a specific question for my colleague. Did he notice whether the legislation would make public inquiries or public hearings optional, with a decision to be made by the Board? It seems that one of the great changes in the decision-making in this country is to encourage Governments to be more open and forthright from the beginning, and sometimes to mandate this requirement. Would he comment on how he thinks the Board should proceed with regard to public inquiries?

Mr. Wappel: Madam Speaker, public inquiries are very important and serve a purpose. We must recognize that not every incident of every branch of these three transportation investigations will require a public inquiry. Sometimes even the tip of the wing of an aircraft going into the safety zone miles away from another aircraft is deemed to be a so-called occurrence, yet that may not require a public inquiry costing hundreds of thousands of dollars of Canadian taxpayers money.

Having said that, it seems to me the Board should be encouraged, wherever there is a major safety violation or major accident, to have a public inquiry so that Canadians see that the facts have been put on the table and appreciate that the Board is doing all it can in order to come to a conclusion.

For example, we know that the Canadian public has some serious concerns with what happened in Gander. We do not have a public inquiry. That seems like the kind of incident that cries out for a public inquiry. While you cannot mandate a public inquiry for every incident, it seems the Government of the day should encourage as a policy matter that any kind of severe accident like that, with loss of life or major loss of property, should have a public inquiry so that the Canadian populace will know exactly what happened and get to the bottom of it.

Mr. Skelly (North Island—Powell River): I have another question concerning the one I asked the Member about the Campbell River Airport road and its infrastructure. While embellishing many of the worth-while comments he made previously, the Member neglected to look at the question of infrastructure funding. I remind him that the previous Liberal government had this matter under close scrutiny and was on the verge of basically approving funding to share in the one-third-one-third-one-third proposal.

Both the district of Campbell River and the provincial Government have this money available and are prepared to proceed if the Conservative Government would simply show the same level of concern and commitment to the safety in that particular area. I am one who is very concerned about the area of Medivac as well as highway safety. If we could ensure that the present Minister of Transport (Mr. Bouchard) would give this matter his undivided attention and respond directly to the provincial Minister of Transportation and Highways and the mayor of Campbell River, the matter might be resolved. Would the Hon. Member comment on that?

Mr. Wappel: I have a brief comment, Madam Speaker. Of course, I am not familiar with every area of Canada, much as I would like to be. I am not familiar with the comments the Member has made with respect to the area to which he has just referred.

I appreciate the short history lesson about what this Liberal Party believed in the past and where we are going in the future. My only comment would be that I think we are discussing safety and I am beginning to see that the Hon. Member, with due respect, is wandering from the subject of safety and going on to subjects of funding, which I do not think are appropriate and which I have not developed, and about which I have done no research. Therefore, I would rather not make any comment with respect to those.

Mr. John F. Brewin (Victoria): Madam Speaker, I want to address a few remarks to Bill C–2. The one aspect of the Bill that is of particular interest to those of us from Vancouver Island is that which would afford this new Board the role of conducting independent investigations of marine incidents. Clause 7 of the Bill provides that the object of the Board is to advance transportation safety by conducting independent investigations and, if necessary, public inquiries into transportation occurrences. Those occurrences, as defined by the Bill, include marine occurrences related to an activity of a vessel or a ship.

• (1530)

Under the Bill, the board is given the power to decide whether a public inquiry is to be held. It is not imposed upon the board that it must hold public inquiries, but it is given the responsibility of deciding in appropriate circumstances whether public inquiries are to be held.

With that preamble, I would like to address two points. First, the Bill does not spell out the implications of a public inquiry and what that really means, nor have we heard anything about it from the Government. We have seen examples in the past of inquiries which simply give a nod in the direction of public input. We on this side of the House will make proposals at committee stage that will provide that the elements of the public face of the inquiry be spelled out in greater detail. I am thinking particularly of a point made by the Minister of Justice (Mr. Lewis) yesterday.

Yesterday was Law Day and the Minister made a speech at the National Law Day dinner which was held at the Chateau Laurier Hotel. He made the clear and I think uncontroversial point that it is not enough to provide on paper for justice but it is critically important that all people in the community be given genuine and real access to justice. In one context, that may mean access to legal assistance, but in the case of inquiries under this Bill, it seems to me that the Government will have to provide a genuine opportunity for interested persons to participate in a real and effective way in the inquiries provided for in the Bill.

Let us use the example of the west coast oil spill. I will be getting into this in greater detail later. If there is to be a public inquiry into the west coast oil spill, we see it as being necessary that it will not simply be a pro forma opportunity for members of the public to show up at an inquiry in Ottawa. The inquiry should take place in locations to which interested people can conveniently travel. It means that funds should be set aside under the terms of the board for those interested parties to prepare for the hearings, to retain research assistance, if necessary to retain legal counsel and to have an opportunity to introduce witnesses and to cross–examine witnesses put up by either the big companies that will have an interest in these kinds of inquiries or even by Government agencies.

All of these things cost money. If there is to be a genuine form of public access, however, it is our submission that it will be necessary for the board to provide funds for that kind of assistance to interested groups. For example, if we do end up with an inquiry into the west coast oil spill, funds should be made available to environmental groups and others from Vancouver Island to retain the necessary expertise to make a meaningful commitment and contribution to that inquiry.

Some 12 or 13 years ago, or maybe even 15 years ago, I had the opportunity while working with the British Columbia Government to be Chairman of the Rent Review Commission. We entered into a comprehensive study of rent control and made very sure that not only did tenant groups have the kind of support of which I am speaking, but even the developers who opposed rent controls. Of course, there are different kinds of inquiries. Some inquiries would not need the full-blown treatment of which I am speaking. In today's paper, we read that the Dubin inquiry has already run up a bill of $750,000. Not every incident will require that level of investigation, but there are some that will. Where they do require it, the public should have that kind of assistance and support if the inquiry is to be meaningful.

The second point I wish to make relates to the west coast oil spill. We on this side of the House have been pressing since Parliament resumed at the beginning of April for a full public inquiry into the west coast oil spill. Since Parliament convened, there have been two further threats to the environment posed by the spillage of fuel or the threatened spillage of fuel on the west coast. In each case, the Minister has advised the House that the situation is under control, that they are looking into it and no one need worry.

On the last two occasions, however, he has added that he would be prepared to see some form of public input into the review of the standards and controls on tankers passing through Canadian waters on the west coast and he has promised the House that will take place. It seems to me that a Government that can produce a Bill of this kind, providing for public inquiries into marine incidents, something which would clearly include oil spills, ought without any further delay to direct a public inquiry into the west coast oil spills and the tanker and barge traffic up and down the coast. There is no excuse for any further delay.

The Minister met this weekend with representatives of a group of 158 prominent British Columbians who have been calling for a public inquiry. He was quoted in the newspapers as saying that he was prepared to have some public input into the departmental inquiry, but he still failed to make a commitment to the House, to the people of Canada and particularly to the people of the west coast of Vancouver Island that there will be a full, public, open, accessible inquiry located at least in part on Vancouver Island into this massive threat to our environment.

Returning to my original point on public inquiries, it seems to me that the whole point of the exercise is that the people who are affected must have the power to influence the outcome of the inquiry. If Canada is a genuine democracy, that means that these kinds of inquiries and investigations cannot be intended to cover up problems or to protect the reputations of major companies or even Government Departments that may have failed. Rather, the intention is to help those who are most interested and affected to contribute in a genuine way to solving the problems that need to be addressed. It is their lives and their environment and they are the ones who should have major control over the direction and nature of the inquiry. It is for that reason that we call on the Government not only to introduce at committee stage clear and specific provisions for genuine public enquiries but, as a measure of good faith, to immediately establish a proper public inquiry into the case of the west coast oil spill.

I have not been paying much attention to the clock, but if I still have a few minutes let me add a comment on another aspect of the Bill. I wish to speak about those provisions in the Bill for the appointment of board members. Being a new Member, I may stray just a tad into a clause-by-clause discussion, but I will try to make my comments as general as possible to avoid what may be a breach of the rules. I am sure either you or my colleagues, Madam Speaker, will correct me if I do not succeed.

I would like to comment on the provisions of the Bill for the appointment of the board, at least in general terms. I think this raises a question which we in this Parliament will have to press the Government hard to address in better terms than it has in the Bill.

• (1540)

Those who have had an opportunity to read Jeffrey Simpson's book on patronage in Canada will appreciate that this country needs substantial changes in how boards are appointed. One probably does not even have to read Jeffrey Simpson's book to appreciate that. The public is looking for quite a different approach to how boards are appointed.

I would certainly concede that a Government is entitled to have those who reflect at least in part its perspectives on boards which are policy oriented. There needs to be some provision for that interest to be taken care of. However, in taking care of that interest, we must guard against a tendency to abuse the privilege. We also must consider the other interests involved, that is, the interests of the public in having an independent, honest, open exercise of public responsibility.

The provisions of this Bill still give the Government yet another vehicle for patronage. It is a system which must end. When we get to committee stage this corner of the House will have proposals to offer in that regard.

Mr. Skelly (North Island—Powell River): I would like to thank my colleague, the Hon. Member for Victoria (Mr. Brewin), for raising a critical matter in transportation safety, which is the question of the spillage of oil. The Hon. Member has raised this matter in conjunction with a very serious oil spill on the west coast of Vancouver Island. He and other Members of the House know that on Vancouver Island and the coast of B.C. there is currently under way a massive petition by citizens who are demanding a public inquiry.

Every municipality, city, regional board, native community and tribal council is writing to the Ministers involved urging that a public inquiry take place. Today there is a delegation headed by Richard Lucas, the co-ordinator for the Nuu-chahnulth people, on that clean-up. He is here in Ottawa attempting to meet with Ministers about the clean-up. I would add that with the Prime Minister (Mr. Mulroney), the Minister of the Environment (Mr. Bouchard), the Minister of Transport (Mr. Bouchard) and the Minister of Fisheries and Oceans (Mr. Siddon), he has basically had no luck at all at this point. He is here to urge that a public inquiry be held so that the livelihoods of the Nuu-chahnulth people and the other citizens who live there are not destroyed in the same manner as those who live in Valdez.

I ask my colleague if he could comment on the refusal of the Prime Minister and Ministers to meet with these people who have firsthand experience and who will be the first line exposed to the damage created by the transportation safety problems. Why will the Ministers not meet with them, hear their concerns, and launch that public inquiry? The Minister of Transport is quite prepared to go around the Canadian Aviation Safety Board and appoint a public inquiry into the Dryden accident, which certainly is serious, but oil spills are serious too and the potential for enormous destruction is serious. A public inquiry must be appointed. The Government Members must meet with the people who have suffered the damage, who have been involved in the clean-up and know firsthand what has happened.

Would the Member join with me in urging those Ministers and the Prime Minister to meet with the delegations that are here now and those who are on their way?

Mr. Brewin: I thank my friend for the question. We are working together with the other Members from Vancouver Island, the Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett), the Hon. Member for Saanich—Gulf Islands (Ms. Hunter), the Hon. Member for Comox-Alberni (Mr. Skelly) and the Hon. Member for Nanaimo—Cowichan (Mr. Stupich) to press the Government on this issue.

Frankly, it is difficult for me to understand why the Government has not moved more quickly on this. The only excuse Government Members might have is that they are still poring over the map to try to figure out exactly where the west coast of Vancouver Island is.

However, we were pleased that the Minister of the Environment (Mr. Bouchard) went to Vancouver on the weekend. We hope that effort will have moved him closer to a decision to proceed with the public inquiry.

There cannot be a public inquiry in the case of every single event that comes along, and we on this side of the House understand that. However, the potential for major damage is so great that we should take the lesson that has been learned with relatively minimal damage to our shores and to our environment to get to the heart of what will be necessary to avoid a major catastrophe in the future.

Three or four tankers per day go by the City of Victoria through the Strait of Juan de Fuca. Each one is a floating invitation to an oil spill disaster. So far we have been fortunate, but inevitably there will a disaster somewhere in the Strait of Georgia or in the Strait of Juan de Fuca. There will be a serious oil spill off the coast, unless steps are taken now.

The tankers that are used are beginning to age. The potential that they have for leakage increases as each year goes by. It is critical that we look at the technology for transporting oil, and that we look at the technology that is being used in barges.

The other day a tug had an explosion on board 14 miles off the west coast of Vancouver Island. The barge had to be cut loose and was floating around the ocean for a number of hours before it was rescued. Fortunately, the seas were relatively calm, and because the Government has been sensitized to these issues, it was able to jump on the problem fairly quickly. Perhaps next time we will not be so lucky.

The case is overwhelming for an immediate major investigation which would take the form of a public inquiry in order that the people can have some confidence in the results and give their input. I hope the initial indications that the Minister has given that he is beginning to see the need for at least some public input will flower into a commitment in the next day or two for a public inquiry. The time is long overdue.

Ms. Mitchell: I also wish to rise on the same point. All of us from British Columbia, and I hope all Members of the House, are extremely worried about the lack of protection, the lack of planning, the lack of resources, and the lack of safety measures to both prevent and contain future spills.

The Hon. Member for Victoria (Mr. Brewin) knows that there is a particular vulnerability on the Gulf Islands, to which I have a special attachment, and to the San Juan Islands, a group of beautiful islands between Vancouver Island and the mainland.

I would like to ask the Hon. Member particularly about the risk connected with the Cherry Point refinery where spills could happen. As the Hon. Member pointed out, there is frequent transport of oil through those straits, which is a very dangerous and narrow passageway into the Cherry Point refinery. The risk element is very high. I would like the Hon. Member to comment on that. It is bad enough on the west coast of Vancouver Island. However, in the centre area where there is no sweep out to the sea it would be worse, if that is possible.

Since the Hon. Member is a lawyer of some renown, I would like to ask him what responsibility there is for payment on the part of offenders. In the past history it was American companies that were responsible for the spill that hit our coastline of British Columbia. Does the Canadian Government have a fund from which to immediately pay volunteers who help with the clean-up, something which has not been the case in the past? I understand Canada has some type of legal fund but that it is not available to pay helpers in the event of a spill.

Another issue I would like to mention while I am on my feet is the need for a standard policy of double-bottomed tankers as part of the safety measures.

• (1550)

Mr. Brewin: My colleague, the Hon. Member for Vancouver East (Ms. Mitchell), has hurled a number of specific issues at me, on each of which I could speak for considerable length, but it may divert us. I suppose I should divert myself as far as I possibly can from the individual issues, but let me deal with a couple of points. I presume I only have a couple of seconds left.

First of all, one of the things about this Bill is that the findings of the Board are not binding. There is to be no civil or criminal liability assigned by the Board, nor are its findings to be construed as such. As the Member by implication has pointed out, the Government needs to bring forward some companion legislation to deal with the sharing and burden of costs of these oil spills.

The Exxon company is going to be facing hundreds of millions of dollars of costs, which of course it will just pass on to the consumer after its insurance runs out. Apparently even the limits of its insurance will not cover what is done.

The next oil spill may be caused by a company with very few assets, and then the public will be stuck with it. One of the questions for a public inquiry would be: What insurance is being carried? What guarantee is there that there will be any company standing behind the insurance or any funds standing behind the insurance? What about the volunteers? What about the tourist industry, the home owners, the native fishermen and other fishermen on the coast, all of whom may well suffer damages?

In the west coast oil spill which happened in December and January, we on this side have proposed that the Government immediately establish a compensation fund. I think my colleague from Comox—Alberni is going to be introducing a motion if he has not done so already.

An Hon. Member: It is done.

Mr. Brewin: "It is done", I am told. It calls on the Government to establish a compensation fund so that those who are hurt do not have to go into American courts and go through international lawsuits and the complexity of that. The people should pay, the Government should compensate the people who have been damaged, and then the Government should take on the responsibility of suing. There are thousands of aspects to

this thing, all of which should be handled by a public inquiry.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Glengarry—Prescott—Russell.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, this afternoon I would like to deal with two issues. First, I will speak to the Bill before the House, and second, I would like to deal with the tragic accident that occured in Gander, Newfoundland, on December 12, 1985.

First of all, in referring to Bill C-2, Madam Speaker, we should remember it was not the Conservative Party that dreamt up this whole business of having a commission of inquiry on air accidents. In fact, it was the former Liberal Government which in 1984 proposed and, in fact, established the Canadian Aviation Safety Board.

Today, the Government is proposing to establish a new transportation accident investigation board, which will replace the Canadian Aviation Safety Board and also be responsible for other, similar types of accidents.

Madam Speaker, investigations are essential in order to maintain safety standards in this country. In 1978 we had the tragic crash in Cranbrook, British Columbia, and the Progressive Conservative Party, the Official Opposition at the time, asked the Government to set up a royal commission of inquiry. A few months later, the Government was defeated in a general election, and the new Conservative Government set up the Dubin Commission which reported several years later. On the basis of that report, the Government, in 1984, established the Canadian Aviation Safety Board.

[*English*]

I have here a speech from the Hon. Member for Vegreville, the Deputy Prime Minister (Mr. Mazankowski), in his days as the transportation critic, opposition critic as he was in those days, for the Conservative Party. It is dated February 22, 1979. Let me read some of it. I think there will be a sentiment of *déjà vu* in what I will read. The Hon. Member for Vegreville said at that time, and I quote from *Hansard*:

> I turn now to the question of air safety. In spite of the minister's assurance, it is clear that events of the recent past, and specifically over the last 12 months, have given Canadians clear evidence that there is serious erosion taking place in public air safety in Canada.

He adds further:

> Rather than acting responsibly, this minister chooses to gloss over the issue and play the old reassuring game that all is well. I suggest that constitutes a clear of dereliction of duty on his part. We again call for a full public inquiry into the whole area of air safety so that all the facts may be known and corrective measures put in place. That is a minimum.

Ten years later that judicial commission of inquiry is something for which my colleagues and I in the Liberal Party have been asking, specifically in the area of the Gander air crash.

Just to refresh the memory of all Hon. Members on the Gander air crash, the crash in question occurred at approximately 6.45 a.m. on December 12, 1985, approximately one kilometre from the runway at the Gander International Airport. An Arrow Air DC-8 crashed to the ground. It had 256 passengers, eight of them were U.S. servicemen returning from a mission in the Sinai Desert. The remaining eight people were crew members. All perished in the crash. All were citizens of the United States of America.

Following that very tragic air crash we had the Canadian Aviation Safety Board do an investigation of the incident in question. I do not mean to complain about the quality of the investigators themselves. I have no reason to believe that anything went wrong in terms of the quality of the individual investigators, whether I am speaking of Mr. Tom Hinton of the Canadian Aviation Safety Board, Mr. Peter Bogue, or others. However, I am saying that the investigation was handled by the Board and by the Government in such a way that the CASB no longer enjoys the confidence of the Canadian public. Very few people now believe anything that has come out of the report of the Canadian Aviation Safety Board on the Gander air crash.

First, we had internal division within the Board. We had an interim report of the Board. We had a dissenting interim report of the Board. We had the Board that attempted to constitute itself in an evidence review committee to oversee the evidence, and at a subsequent meeting the chairman used this power to vote twice in order to dismantle the evidence review committee that had been established at a previous meeting.

We had an eminent lawyer, now a judge of the Supreme Court of Canada, who prepared a report basically stating that the Canadian Aviation Safety Board was in a grave state of disagreement and that things need to be patched up and repaired immediately. We had all of those things occurring. Afterwards, of course, we had the final report of the Canadian Aviation Safety Board supported by five members and the minority report supported by four members. The only reason there were four on the minority side was because one of the dissenting members by then had quit. Otherwise, we would have had five people supporting the report, five dissenting, and probably again a situation where the chairman would have had to cast a second and deciding vote in order to break the tie.

What we have is obviously very tragic in terms of what happened at the Canadian Aviation Safety Board. Even more fundamental, there are families of American servicemen, families wondering what exactly happened to their loved ones and why 256 people died in the most serious accident ever to occur on Canadian soil. I do not have the answer to that question. However, the probable cause of the accident, as was determined by the Board, has been determined by many people as not being a likely scenario at best. It is difficult to say what caused the crash.

• (1600)

I have certain items that I would like to bring to your attention, Madam Speaker. First, there is another company that frequently transports troops from the United States. It is known as Transamerica Airlines. At one point in time that airline was transporting American military personnel and had an unusual incident happen. A parcel fell out of the bag that a military person was carrying in which it was identified that there was a detonator cap. The military authorities immediately made the discovery of live ammunition as being part of the luggage of this particular military person. At that point in time the authorities asked everyone on the plane to leave it. They then told all the passengers that if they wanted to they could immediately surrender all arms and ammunition that they had on board and that they would not be punished. However, if they failed to do so within the space of a few minutes then of course they would send in the sniffing dogs and anything that they found. Then the military people in question would be charged for illegal possession and illegal transportation of these arms and military hardware.

Do you know what was found, Madam Speaker? On board that flight was found six rolls of detonator caps, eight static fire blasting caps, three 20–millimetre projectiles, nine 20–millimetre practice rounds, five .50 calibre machine rounds, one .308 millimetre shell, one .208 millimetre shell, nine slap flares, one green smoke flare, one 45–70 line cutter, one simulated grenade fuse, one practice bomb, one smoke–bomb, one signal flare, and eighteen 5.56 shells.

Following that incident Transamerica complained bitterly to the United States military. The United States military established procedures at that point to ensure that nothing like that would happen again.

I have in my hand an internal document from the United States military. It is dated July 28, 1986. I would like to read what it states. It is written in military jargon and I may not be able to decipher it all. It is also a very bad photocopy of an original document. The document was sent by Lieutenant–Colonel M. L. Becker of the United States Air Force. The subject of the document is hazardous materials prohibited on PAX aircraft. It states:

> On two MTMC arranged commercial air movements that have moved in the last 60 days, hazardous items were found in the stowed baggage of troops. On 26 Feb. 86, a quantity of hazardous munitions items was identified which included 20 mm, 50 calibre, 40 mm and 5.56mm ammunition; detonating cord; nine slap flares; smoke flares and grenade simulators.

Perhaps if I had the attention of all Members who are busy conversing on various issues, such as the Secretary of State for External Affairs (Mr. Clark), we could proceed with this debate. The document states further:

> The procedures require that troop commanders check to ensure stowed and carry–on baggage does not contain hazardous contraband. This procedure further requires commanders to certify on the passenger manifest that anti–hazard inspection was made and baggage was checked.

I draw the following sentence to your attention, Madam Speaker, because I believe it is of the utmost importance. It is:

> In light of the fatal air crash of a DC–8 in Gander, Newfoundland, on 12 Dec. 85, request that all concerned with the movement of troops aboard commercial aircraft, contracted by MAC or MTMC, do their part to ensure that hazardous items do not get aboard aircraft.

What does that mean? Anyone who would be reading that document for the first time could be led to the following conclusion. I took the document and handed it to someone asking them this question: "Do you remember what caused the Gander crash in Newfoundland?" The individual told me: "No". I said: "All right. Take this document, read it and then tell me if you know".

The person read the document and said: "Oh, yeah, I know what caused it. It is obvious from this document. It says here that in light of the DC–8 crash in Gander, Newfoundland, they should not allow live ammunition to get on board airplanes any more".

In other words, it was the accidental explosion of such ammunition that had caused the air crash. That is what I read from that United States military document. Is that what caused the crash in question? I do not know. I say to you, Madam Speaker, that that possible theory, that evidence which is in the hands of the Canadian Aviation Safety Board, does not form part of the conclusion that the Board made. It is interesting to note that in the minority report there is reference to the fact that it could have been an explosion on board that caused the crash of the plane in question.

Mr. Belsher: On what evidence?

Mr. Boudria: I thought I just read to the Hon. Member across the way a letter from the United States military. Perhaps I could provide him with a copy of it. The Member across the way asks: "On what evidence?" I could ask the very same question in regard to the majority report of the Canadian Aviation Safety Board. As a matter of fact, I am not the only one who questions that evidence. On March 8, 1989, the Minister called a press conference and basically said that he supported the majority report of the Board and that he was going to implement a number of measures to fix things up. At that same press conference I said that the Minister should have questioned not only the recommendations of the report but the report itself. The Minister said that there was nothing wrong with the report, that there was no reason to question it. A few days later *The Ottawa Citizen* got hold of an internal report from the Minister's office which stated the same thing that I was saying and the exact opposite of what the Minister was saying.

It stated that in fact the theory of ice on the wings was questionable, if not to say not supportable at all; that there could have been a number of other things that caused the air crash; and that in the view expressed in the internal document from the Minister's office there seemed to have been a kind of bent to the report of only exploring that theory rather than other possible theories. I cannot say what caused the crash in question, nor am I an investigator, but I can read documents. I know when the Minister's own staff is questioning a report. I know when the United States military has documents, copies of which I have, which allude albeit in an indirect way to a possible other cause, that there is indeed a possibility that there were other causes for this tragic air crash.

After the document from the Minister's Department became public, what happened? The Assistant Deputy Minister in charge of the Department that was producing the document was fired, or forced to resign. Thus General Lafrance resigned his position as Assistant Deputy Minister of Transport.

The Minister called another press conference. This time with all due respect he was a little less arrogant than at the one on March 8 in which he was condemning the Opposition for asking the questions that it was asking. It was quite an exercise. The Minister was eating humble pie at the press theatre across the street. He described that he would have an investigation into the Dryden air crash and that he would commission a judge as a form of consultant in order to determine whether there should be an inquiry into the Gander crash. Now why should we have an inquiry to determine whether there should be an inquiry? I am not sure. But to that end Justice Estey was appointed. He is an eminent judge. I have no difficulty with the qualifications of the individual except that he is not a Royal Commission of Inquiry. As a matter of fact, Madam Speaker, there is no mechanism by which I know that I, as a Member of Parliament, could even give a copy of the letter that I have just read to you to Judge Estey. The families of the victims at Gander have asked to provide information, to make requests, to make a brief, to submit items to Judge Estey. It was not possible for them to do so.

• (1610)

I have a briefing book here, Madam Speaker, which contains several hundred pages of material on Gander. I would like at least to give a copy of it to Judge Estey, as I have to a number of Members of this House. It is not even possible for me to do that under the structure that was established by the Minister of Transport. So I say to you, Madam Speaker, there are many things more that need to be done.

Simply moving with this item at the present time, although not a bad one, is not sufficient to remove the doubts in the minds of many Canadians and Americans about that particular crash and about airline safety generally. Indeed, the very prestigious US magazine, *Aviation Week Space and Technology* on February 6, 1989, was asking for exactly what my colleagues and I in the Liberal Party have been asking for, which is a Royal Commission of Inquiry into the Gander air crash.

I want to conclude, Madam Speaker, by once again making this formal request to the Government across the way to institute immediately a Royal Commission of Inquiry into the most tragic event ever to have occurred on Canadian soil, the most tragic air crash which killed 256 people. I mean of course the Gander air crash of December 12, 1985.

The Acting Speaker (Mrs. Champagne): Questions or comments?

Mr. Skelly (North Island—Powell River): I wish to compliment the previous speaker on the very sensitive and eloquent manner in which he raised the important details of a very tragic accident. He noted questions that still have to be answered concerning that accident. I would like to inquire if his remarks included a concern for other transportation safety matters that a number of Members in this House have raised. One is the matter of proper inquiries into oil spills. I know that his Party has shown concern and been very vocal on this. I would point to the question of the four serious oil spills off the coast of Vancouver Island, most notably the one through December and January and the response of the Government to that. Most of the organized communities and citizens who live there are demanding that the Government implement a public inquiry into it.

I would certainly like it to know whether the Member agrees with the citizens and communities on the need for that public inquiry and possibly an expanded role for a transportation and accident investigation group on the oil spill question.

One more item that I would like to have him comment on is the oil spill in December and January which washed up on Long Beach Park. The Government was not prepared to do anything in terms of an investigation, inquiry, and recommendations, until it washed up on a national park. They are still cleaning it up. The Government has withdrawn many of its resources, but it did give a substantial contract to the Nuu-chahnulth Tribal Council for beach-walking programs and clean-up programs that are still going on. That of course extends from Sooke to the Brooks Peninsula on Vancouver Island. But they denied the Kwagwelth Tribal Council to monitor their beaches and undertake the same kind of clean-up. Clearly the issue is that the Kwagwelth people, although they depend on the food and resources that are on those beaches, do not luckily have a national park there. Unfortunately because they don't have the national park, their resources can be spoiled and coated with oil. Yet the Nachalnov people, because it did include the park, were given a substantial government contract to find that oil and clean it up so that the damage does not occur.

I wonder if the Member would be in a position to comment on the equity of that type of situation in addition to the response. In particular does he support the call for a public inquiry into protection, prevention, and the necessity for proper investigation of oil spills off the West Coast of the Island?

[*Translation*]

Mr. Boudria: Madam Speaker, first of all, I would like to thank the Hon. Member for his question. Of course, when we are talking about toxic spills, whether they involve oil or other products, the federal Government must act when it has jurisdictional authority.

[*English*]

It is not good enough either, Madam Speaker, to pretend that we get an undertaking from someone in the corporate sector that in the unlikely event that there is a spill, that they will make sure to clean it up. Surely the Valdez incident would tell us that those kinds of undertakings are sometimes not worth the paper they are written on. If that particular incident has demonstrated anything to us, it is that not only must the rules be there, but that we should ensure that those who are charged with the application and the follow-up on those rules have the necessary equipment to do it.

In fact it was quite obvious after some hours that, first, the Exxon Corporation in that case did not really have much of a will to do anything in the beginning. Secondly, when they did muster the will necessary, that they in fact could not get the equipment there on time. Had they been able to get the equipment there on time much of the damage, which will be felt for years to come, could have been alleviated.

So we must ensure that there is that mechanism there, not only in principle, but in reality as well.

I want to bring a different item to the attention of the Member in the area of spills. That is the spills of toxic substances in our waters generally. In the constituency that I represent is the St. Lawrence River, and there is the proud Indian community of Aquasasne on Cornwall Island which is partially in my riding and partially in the riding of my hon. friend. Across the river on the American side, there are a GM plant and two aluminum plants. Material is seeping into the St. Lawrence River sometimes by spills, sometimes from storage right on the shore which later leaches into the river system. It does not matter. One way or the other it still has the same toxic effect. We know the PCBs are in the St. Lawrence River and exactly where they are.

We know that the amount of leaching is increasing, but no one is doing anything about it. The Aquasasne community that lives there used to produce cattle and milk. They used to live off agriculture on the island. There got to be so much fluoride poisoning that they had to cease that. Then they were living off fishing and acting as guides for tourists. Now you cannot eat the fish because it is so polluted from those contaminants that I described that were either spilled, leached or otherwise got into the St. Lawrence River. We have social problems in that same community, and we wonder as a society why it is happening. Well, if we had to have a recipe for a disaster, we could not have planned it any better.

• (1620)

It is a most unfortunate event there, but it was caused by that kind of negligence to which the Hon. Member has referred. It is happening in my own constituency, this time not as a result of an oil spill, but as a result of a spill of a different kind.

Mr. Walker: Madam Speaker, the House will recognize that the Hon. Member has evolved as the ranking expert on having a public review of the investigation of airline crashes, particularly the one at Gander. In light of his expertise on this, would he comment on how this Act would pertain to the investigation of that particular crash if it was in place at the time?

I understand that when a military vehicle is involved the Government wishes to shift emphasis and have the Department of Transport as the leading and co-ordinating agency. Does my colleague believe that that would strengthen or weaken the role of the Government in reviewing accidents?

Mr. Boudria: Madam Speaker, I do not know if it will make that much difference. Of course, when we are dealing with military personnel there is always a certain sensitivity on the part of the military authorities, but I do not think that is justification for having different people do the work.

In the case of Gander, the United States military became involved very quickly. As a matter of fact, the day after the accident there was a request, a copy of which I have here, by a Major General John Crosbie of the U.S. military who wanted to bulldoze the site immediately. I have a copy of that letter.

Why did we see those kinds of activities? Is it because someone wanted to ensure that the site, which was for all intents and purposes a grave, was ploughed over as soon as possible in order not to disturb the people who died there, or was it for another reason? What could have been the reason for wanting to bulldoze over the site immediately after the accident, even before all the pieces had been picked up? Thankfully, the bulldozing was refused. If it had been accepted, much of the evidence, whatever little we were able to get from the accident, would not have been found. It would have been buried.

In the case of Gander, the autopsies were all done in the United States. The bodies were taken to the United States and autopsies were done there. While I objected to that process, even I have to recognize that, effectively, there was no way in which 256 autopsies could be done at that particular location. No one in that province had that kind of capacity.

There was an arrangement between the United States authorities and Canada by which all the bodies were flown to the United States and the autopsies were done there. Strangely enough, the autopsy reports which are compulsory for the issuing of death certificates in Newfoundland have never been brought back. Surely there has to be something wrong with that.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mrs. Champagne): Order. It is my duty, pursuant to Standing Order 38(1), to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Victoria (Mr. Brewin)—Royal Canadian Mounted Police—Bus Hijacking—Timing of Information; the Hon. Member for York West (Mr. Marchi)—Immigration—Refugee claimant applications backlog; the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner)—Forestry—Federal-Provincial agreements—Administrative responsibility—Request for consideration at First Ministers' Conference).

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TRANSPORTATION ACCIDENT INVESTIGATION BOARD

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Bouchard (Roberval) that Bill C-2, an Act to establish the Transportation Investigation Board and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I only have a few comments because many of the points we sought to raise during this debate have been made by other Members. I want to re-emphasize our concern that the questions of safety are addressed properly by the Government. Our desire to debate this in detail is very much influenced by this concern. While we appreciate the anxiousness of the Government to assure Canadians that it too is concerned, we think the Government has moved too hastily with this particular legislation.

Some of the principles that are at stake here are worth reviewing to make sure that Canadians understand them. First, by switching from a single purpose agency to a multimodal agency to review investigations, the Government runs the risk of having a group of people who must respond to crises of a completely different order. While it is very convenient, I am sure the Minister took the advice of his Ministry which has its own parallel organization. The Department of Transport has a surface section, an air section and a marine section. Lo and behold, this legislation proposes a parallel organization.

Our fear is that while it may be convenient from a bureaucratic point of view, the risk one runs is setting up an organization that is too close to the original Department so that there will develop a buddy system which is contrary to the purposes of the legislation.

The second concern we have from an administrative point of view, in principle, is that there is a small number of people appointed to the board with such wide ranging responsibilities. If there are five people appointed, one of them must be the chairman. I assume one will take responsibility for air, another for surface, including pipeline and rail, and a third would take responsibility for marine, with an extra member performing various duties. It does not take much imagination to see that with a series of crises occurring in the country and an investigating time of some two or three years, which is not uncommon, the five members will not be able to pay attention to crises as they evolve. This means that people at the second tier will have to address the issue, which raises another problem of public servants investigating public servants.

I suggest the public needs reassurance that we are moving away from investigating ourselves and having others study the question. The principle of parliamentary government is to invite as many Canadians as possible to review our activities rather than doing it among ourselves.

The third principle that is not explored enough, although the Government attempted in its various ways to pretend it understood the issue, is the requirement of public investigation and public inquiry. We hope that as we review this legislation at its various stages in the House it will be improved by ensuring immediate publication of information, the holding of public inquiries under all circumstances as needed, so that the public not only feels that the Government is looking after its interests but their concerns from one region to another can be addressed.

There is the question of where this organization should be headquartered and whether it should be kept close to the Ministry of Transport or physically removed. In the past, the Government followed a pattern with the establishment of CN in Montreal, the establishment of VIA Rail in Montreal, and the establishment of Air Canada in Montreal. It took the strategy that it should separate Crown corporations and independent agencies from the Ministry of Transport. I will be interested in seeing future announcements from the Government about where this should be located so that Canadians understand the independence of the organization.

I hope the Government understands that although it has moved quickly to take the show away from its opponents in terms of the headlines, that it has left behind an awful wake. It is the responsibility and duty of the Opposition to continue to remind the Government that appearances are not everything and this legislation needs some substance.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I wish to raise a number of concerns that have been expressed over the last couple of days of debate on this Bill. We on this side of the House are in favour of the thrust of the Bill in principle. However, it is essential that our concerns be re-emphasized for all in the House, particularly for the Minister responsible for the legislation.

The main point to be emphasized is that nothing will have changed with the appointment of this board. The investigation board itself should be totally separate from the Ministry of Transport and from the Minister in charge. If it is not, we will have exactly the same situation we have at the present time. We will have an unworkable system, the system that now exists under the Canadian Aviation Safety Board Act. In that case, people on the board cannot get along with each other. They are coming out with different recommendations based on their investigations.

• (1630)

An example of a problem with this Bill is that the National Energy Board is exempted from this legislation. Yet under this legislation, the National Energy Board regulates the flow of such volatile and flammable materials as gas and oil. If there is an accident with any one of those materials, it will be an accident of major proportions.

As I understand it, the National Energy Board essentially regulates itself. It makes its investigations and appoints from within itself. It appears that the board, as with so many of the other boards that have been set up by this Government and Liberal Governments of the past, does not stand alone. There is, I suggest, a substantial conflict of interest between the members of the board and the Minister in charge.

Again, the same situation will exist under this Bill. Board members will be appointed from lists of Conservative Party hacks, people who are owed favours and people who do not necessarily have any expertise other than taking flights or riding on the rails, as my hon. friend pointed out earlier.

We feel that the appointees to this board should be at arm's length from the Government. They should be people who are not at the beck and call of the Party or of the Minister. They should be people who can investigate and come up with recommendations without fear that they will lose their plum jobs on the investigating board.

It cannot be emphasized enough that we must have a board that stands alone, a board that will never be influenced by those on the other side of the House or by the Minister, a board that can come up with recommendations without fear of repercussion from the Government and without the threat of losing their jobs. I suggest that the committee ensure that there will be independence on any board that will investigate air, rail, marine or commodity pipeline accidents or incidents as stated in the Bill.

Another aspect of this Bill relates to deregulation. This is something that is near and dear to my heart, as it affects my riding of Okanagan—Similkameen—Merritt. I see deregulation as being a problem for small communities that are not on the regular rail or air corridors but have spur lines or small air services. In my area, the Canadian Pacific Railway is now in the process of shutting down a line between Spences Bridge and Okanagan Falls, a line, I would suggest, that assisted in opening up the interior of the Province of British Columbia. Because of deregulation in transport and because of competitiveness, the rail company now feels there is no reason to keep the line. It has down-graded the service given to the area to the extent that industries can no longer viably use that transportation service. The final crunch was the closing down of the rail line.

There is a similar situation with small airports in the interior. In the case of Penticton, just two short years ago there was jet air service into that airport. That was changed to Dash-7 and Dash-8 service and there is now a 19-passenger aircraft coming into the area.

This feeds on itself. As the routes become less competitive and less money can be made through deregulation, fewer and fewer people want to go to these places. They want to go where the money is, so the routes are closed down. The Government, looking at these areas, feels that not enough traffic goes into them and will no longer

provide the services. We then get cut-backs in air traffic control. We can no longer get flights after 7 p.m. because the Government is not willing to staff them. There are no flights in after dark because there is no air traffic control. The fire department in the area has been cut back with a resulting loss of jobs. Perhaps that means nothing to a community of one million or even 100,000, but certainly for a community of 60,000, the loss of those jobs means a lot.

Those of us from the Province of British Columbia, particularly the interior of the province, object to this whittling away of our services. The Government is whittling away services through deregulation and Government cut-backs to the airports and transportation services. This makes it more and more difficult for those of us who live in those areas to have viable industries, to continue to build population and to give jobs to our children in the future. It has wide and vast ramifications for those in small communities throughout the Okanagan region.

Madam Speaker, the thrust of the Bill before us is a good one. Something must be done, and it appears that the Government is coming part way. That is to be applauded, but improvements can be made. I implore Government Members to look at those projected improvements that will be put forward by those on the committee and to listen carefully to those on the opposition benches who know and are experienced in this area and who are willing to help the Government. I ask Government Members and the Minister not to turn their backs, to listen to what is being said and to listen to how this is affecting others. If they listen, I am sure they will find the ideas are plausible. They will find that the suggestions we have come up with are workable. They will find that we have the best interests of Canadians at heart as well.

I ask the Government to please listen so that we can help the Government ensure the safety of Canadians through this Bill, through proper appointment of the board, for all Canadians into the future.

• (1640)

Mr. Skelly (North Island—Powell River): I wish to put a question to the previous speaker who gave an informed and eloquent speech on the problems of safety created by the Conservative Government. Would the Hon. Member comment on the proposition that the Conservative Government is driving up the costs to general aviation so drastically that it is creating a major safety hazard? I would like to give a couple of examples for the Hon. Member to ruminate upon.

First, a voltage regulator used in smaller aircraft, which is made by the Ford Motor Company to put into a car, costs $14. If it is put into an airplane and bought from the Cessna dealer, it costs $140. The same applies to an alternator and many other common components. Those costs are so high that other items are neglected by owners.

The second issue I wish to address is cost-recovery programs put in place by Transport Canada. They drive up the costs enormously. At airports such as the one in Ottawa, the cost of parking an aircraft has gone very close to $1,000, which is unconscionable gouging of the operators of general aviation.

In Vancouver the necessity to instal an encoding altimeter in aircraft has been moved up to July, 1989. It should cost every aircraft owner who wants to use that airport somewhere between $500 and $1,000 to instal it, because they have determined that it is a major installation, rather than allowing it to be installed by an AME. Indeed, the process of moving that requirement up from 1990 to 1989 will cause enormous hardship to aircraft owners.

Again, the Conservative Government cost recovery is unnecessary and thoughtless regulation. In the case of the encoding altimeter, hundreds if not thousands of aircraft will be denied access to Vancouver because for those encoding altimeters there are not enough avionics shops in British Columbia to service the aircraft and instal them in the limited time available.

This type of regulation and this type of cost recovery, the failure to deal with the major problems at Vancouver, the parallel runway, enough air traffic controllers, and proper reorganization of the air space, means that the Government will deny access to an airport which is absolutely unjustified. It is going to drive up the costs enormously to the operators of smaller general aviation type aircraft. The proposal is to drive that sector out of business by cost increases and by regulation that is not required, and also deny them access to airports that, if proper resources had been expended on them, would be accessible for aircraft of all types for many years to come.

The basic concept I wish to relay to the Hon. Member today is, does he believe that these are justified, and does he believe this is not only driving people out of general aviation but also causing a major safety hazard?

Mr. Whittaker: The Hon. Member raises an interesting proposition, one that we have seen over a lengthy period of time but particularly throughout the last four years. The small business person, in this case in aviation, is forced through regulation to add increases in costs. I would suggest the subsequent cut-back in similar areas that we have seen in the United States with deregulation, and increases in costs, means a subsequent drop in service and maintenance of airlines. We see the airlines attempting to make do with the bail wire mentality of keeping aircraft up in the air at all costs, the idea being that in order to make a living, one must continue to keep flying regardless of the safety factor. With deregulation there is a tendency to cut back on many of these things. The Government adds to this problem through its attitude toward safety in that there are not sufficient safety inspectors or adequate numbers of air traffic controllers. The Hon. Member raised an interesting point about the parallel runway in Vancouver.

Recently I sat in an airport waiting room and timed how often planes were landing on one of the runways. They were landing approximately once every 1.32 minutes. I kept timing them for approximately one and a half hours. That was on one runway on one approach. Those planes were large. To my mind, it is obvious that in airports such as Vancouver there must be a large parallel runway with the addition of extra air traffic controllers. I would suggest that there have to be more air traffic controllers not only for Vancouver, but also for the inner harbour in Vancouver and in Victoria where there has been an increase in air traffic over the last little while.

If the Government were serious about safety in the area of air traffic, money would be available, cut-backs would not have been made when they were made, and there would be additional money available for schooling to ensure a supply of sufficient air traffic controllers, not only in places such as Pearson International Airport but throughout all the airports in Canada, particularly in the Vancouver area.

Ms. Hunter: I would like to turn to a different aspect of the Bill regarding identifying safety deficiencies and making recommendations to reduce such deficiencies.

The proposed Transportation Accident Investigation Board is mandated to do such investigation. In relation to the oil spills and the unresponsiveness on the part of the Government to our requests for a public inquiry, I believe that the board, which does not assign blame but which shall make recommendations, is what we are trying to get across to the Government. We are not so concerned about assigning blame. We want to know how we can prevent such accidents as the ones that occurred on the west coast of Vancouver Island and in Valdez from occurring again.

My riding of Saanich—Gulf Islands will be affected in a myriad of ways. From initiatives taken by Trans Mountain Oil Pipe Line in Vancouver there will be an increase in tanker traffic through the Gulf of Georgia which washes up on the Gulf Islands. If this public inquiry is not called, and does not make recommendations about the safe transportation of goods, then it is likely that such increased tanker traffic will ultimately lead to another oil spill that will wreck the lives of my constituents and the economy of my constituency.

I call on the Government to consider the double hulling of tankers, to call a moratorium on offshore drilling and to pour money into financing research in tracking oil spills effectively.

On numerous occasions we have called for a public inquiry. In my riding which is between Vancouver and the State of Washington, there is a refinery at Cherry Point that has regular tanker traffic. This Transportation Accident Investigation Board would certainly be a neutral, non-threatening vehicle for the Government to utilize to conduct that public inquiry.

I ask the Hon. Member for Okanagan—Similkameen—Merritt (Mr. Whittaker) if he would address his comments to this aspect of the Bill.

• (1650)

The Acting Speaker (Mrs. Champagne): There is very little time left but I will give time for rebuttal to the Hon. Member for Okanagan—Similkameen—Merritt (Mr. Whittaker).

Mr. Whittaker: Thank you, Madam Speaker. This is the area of the Bill dealing with marine transport. I see the way the Bill is set out and the way that the Board is structured as a problem for such investigations as requested by the Member for Saanich—Gulf Islands (Ms. Hunter).

I refer back to earlier comments that what we need is a structure set up within this Bill for an independent board that can make proper investigations without having it stalled or short-shifted by simply saying the legislation is not available, we have our board in place. In the case of marine traffic, with oil spills such as we have seen over the last little while on the west coast of Vancouver Island and on the West Coast of Canada, there should be the ability to appoint a public board of inquiry that, regardless of political affiliation, can properly bring recommendations back to Parliament after having looked at everything within.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Moncton (Mr. Rideout).

Mr. George S. Rideout (Moncton): Thank you, Madam Speaker. I think that we on this side of the House are agreeable that an independent board to investigate transportation accidents and incidents is welcomed. I am most concerned, and I think my colleagues are concerned as well, that when you look at the definition of a transportation occurrence and you consider the magnitude that that definition strikes, one has to become somewhat concerned that a board consisting of five members will not have the capabilities to deal with the many incidents they will have to investigate. It is not just a matter of air investigations, but rail, oil spills, all of those sorts of things are going to have to be investigated. We are concerned on this side of the House that this board will not be able to do that. We think that the thrust is in the right direction. But we are concerned about the speed or the urgency which the Government seems to be attaching to this particular matter.

We feel that, fortunately for Members opposite, they are picking up the direction that the Liberal Government gave many years ago and are now seeing the way and the light and are moving in a positive and proper direction in that sense. However, we are worried that as they proceed in haste, they may be making mistakes.

We view the effects of things like deregulation and the ramifications that deregulation has on the transportation infrastructure as being one of paramount concern. We are concerned on this side of the House that when the pressure comes on the infrastructure, safety will be sacrificed on the altar of expediency.

I should tell you that in my experience as a municipal politician I have seen what can happen when deteriorating infrastructure strikes communities across this country. I speak with some experience in knowing terrible road conditions, terrible water and sewer conditions that strike municipalities all across this country. I could think of a classic case in Saint John, New Brunswick, where they had half the city without water for over a day. Those situations strike at the safety of citizens and I am concerned that with deregulation and the pressure that is obviously impacting on the transportation infrastructure, we may face and are now facing the same types of concern for safety.

We see a great deal of confusion and charges and countercharges amongst the present board. Our view is that a strong and independent board is absolutely essential if it is to function properly. Given the increased mandate of this board, we are very concerned that it will not be able to carry out the mandate which it has been assigned.

As mentioned earlier by a number of speakers, we are very concerned about the urgency in which the Government is now presenting this legislation. It is coming very quickly. While we agree it is important that there be some sort of improvement in what is going on, when you look at the Estey review of the Gander incident, the Dryden crash, just to name a few, we wonder why we are now proceeding with haste. The haste should have perhaps occurred a year or more ago.

Quite frankly, we wonder whether the Government is simply papering over the old board, just putting it aside by creating this new board, and not dealing with the inherent problems that were obvious with the old board. If that is the case, those problems will not disappear. They will still be there, only to arise again. I think there were inherent problems in the old board, just changing the faces does not necessarily help the problem. In fact, one may wonder if the Government is not just putting a clean sock on a dirty foot.

We have not solved any of the problems at Pearson International. We have not solved any of the problems all across this country as far as air traffic is concerned. We also have a public that is both inconvenienced and worried about its safety. I do not think we are getting into the nub and substance of the issues that face us.

In New Brunswick, we are concerned that budget cuts will affect a number of transportation industries. I am thinking particularly of budget cuts that the Government is talking about with respect to VIA Rail. If massive cuts take place, and we have all heard the rumours of a $160 million or a $180 million as far as VIA is concerned, we wonder if that will affect the safety of the VIA operation. We are very concerned that again safety will be sacrificed

on the altar of the bottom line, for what we consider in New Brunswick as a vital transportation link all across this country. We feel that VIA Rail should be strengthened, that more money should be invested in that operation, and that improvements should be made with respect to the outmoded equipment that is presently being utilized by VIA. If that were done, we feel we would not face the necessity of investigation upon investigation of rail crashes and accidents, and the risk to people who travel with VIA. We are also concerned when we hear that there are to be cut-backs in grants and support to provinces.

For example, the freight rate subsidy is one question to which we could not get a clear answer from the Minister today in Question Period. If those subsidies are cut, if that support mechanism is in fact removed or lessened, that will have a very serious impact on the Canadian National Railway, a very large employer in my riding. We are concerned again that if CN is cut back and they do not have the revenue and the support mechanisms in place, they as well will be forced not to be as safety conscious and the board that we are discussing in Bill C-2 will have to be investigating more and more accidents.

We are concerned as well when the Government will not come forward and provide the necessary assistance to a province like New Brunswick, a province with the worst Trans-Canada Highway in Canada. That again is an example where if you allow the infrastructure to deteriorate and go to pieces, like our Trans-Canada Highway has, very unsafe conditions will result. We have frequent accidents on our Trans-Canada Highway, and most of them have been attributed by experts to be caused by the lack of upgrading and proper Trans-Canada facilities in our province. If there are cuts in the directions that have been clearly indicated by the Government, then this board is going to be investigating more and more safety-associated accidents.

We are going to have more rail accidents. We are going to have more passenger train accidents. We are going to have more air accidents, all because in our view there are greater pressures being put on air infrastructure, on road infrastructure, and on rail infrastructure. We applaud the general direction of this Bill. We are supportive in that regard. However, we are concerned that the Government is going too quickly and that it has not thought through exactly what should take place. We urge the Government to ensure that there is a strong board made up of strong independent members and that there are the resources necessary made available to this Board so that it can do the job and do it properly.

• (1700)

The Acting Speaker (Mrs. Champagne): Are there questions or comments?

Mr. Skelly (North Island—Powell River): Madam Speaker, will the Hon. Member confirm that his major concern is that the Government is creating an accident investigation Board today while at the same time, because of a number of the Government's failures, it is creating an enormous safety hazard.

The Hon. Member for Moncton (Mr. Rideout) mentioned that budget cuts and Public Service cuts were two major concerns. He said that the same is true for an ill-conceived cost recovery program and that the enormous cost of aviation is removing the ability of many people to afford upgrading safety systems while paying higher parking rates and more for radio licences.

The Government has taken action by increasing taxes on aviation fuel. This has moved the price out of reach, as well as the supplies. Yet at the same time the Government has failed to permit wider use of motor fuels in aircraft. I am certainly not aware of any Saskatchewan farmer who has crashed his airplane because he has been using his tractor gas.

In the House we see two west coast Members of Parliament. I refer to the Hon. Member for Fraser Valley East (Mr. Belsher) and the Hon. Member for Surrey—White Rock (Mr. Friesen) laughing and joking about the matter. The serious matter they have not commented on is the improvement to Vancouver airport. I refer to the second runway. The Government has been absolutely silent on the matter and is creating an enormous safety hazard in the area. At the same time those two Members voted, along with other members of the Government, to freeze hiring of air traffic controllers for three years, something which has created a desperate shortage and which has placed the travelling public from the ridings of Surrey—White Rock and Fraser Valley East in a serious safety situation.

Would the Hon. Member not agree that these Hon. Members have not had the fortitude to stand up in the House to justify their actions on the issue of a second runway for this airport, or on the need for effective hiring of air traffic controllers? They have not commented on the brutal cost recovery program that is harming safety and killing general aviation in the long run. I would like to see them stand up to make a comment in the House rather than pass their leisure time in here telling funny stories and whatnot. This is a sad and serious situation. I hope the Hon. Member will comment on it. I know that he is as concerned as I am and that he would like to hear their approach to a solution.

Mr. Rideout: Madam Speaker, I was most intrigued with the second question asked by the Hon. Member. I will leave it for Members opposite to comment on since the Hon. Member is calling upon them to justify their irresponsible actions. I would rather not go any further on that.

I welcome the question as it relates to cut-backs, increased taxation, and all those measures which have the effect of making every company so bottom line conscious that things like safety start to slip through the cracks. That is my concern. I have seen it happen in municipalities. I know from where I speak in that regard. Safety is a soft cost. It is something which is looked at second. As VIA, Air Canada and all those organizations are looking at how to make their bottom line look better, and when Air Canada is privatized and wants to make its stock look a lot better, I am concerned that we will see safety sacrificed on the altar of bottom line.

The result will be that this Board will have a lot more work to do. I think that it will be investigating a great many more accidents. I fully support the Hon. Member to my left in his comments in that regard.

Ms. Mitchell: Madam Speaker, I would like to put a question to the Hon. Member for Moncton (Mr. Rideout). Since he comes from the East Coast he is probably aware of some of the problems with which we are concerned on the West Coast. In particular I am talking now about the Port of Vancouver, part of which falls in the riding of Vancouver East.

As I understand it the Board is to have appointees who represent the different modes of transportation, although only one from each mode. Does the Hon. Member think that in the situation such as we have in Vancouver East it will be possible for such a Board to plan effectively, having four jurisdictions and three or four different modes of transportation?

Will it be able to deal not only with major crises which may arise, but will it be able to prevent them, something which is even more important? The situation in Vancouver East is that there is a transfer point for dangerous goods in the riding. The dangerous goods come in on rail tracks which are in the heart of Vancouver East, one of the most highly populated areas in downtown Vancouver near Chinatown. The goods are transferred from there to ships and barges. They are also transported by air. There is a great danger of accident. There have been some dangerous goods spilled on the railway tracks in the past. There are some very risky situations. Furthermore, the Vancouver City Council has taken away our fire boat, which is a means of fire protection from the water. That is another issue on which I wish the federal Government would intervene and do something about.

With increased transport and the exchange between helicopters and float planes which my friend tells me are coming in, in increasing numbers, there is a great increase in the risk of accident. I honestly do not feel confident nor do my constituents feel confident that this Bill and the proposed Board is going to be strong enough to deal with all the different complex modes of transportation. Also involved in the situation is the City of Vancouver, the Regional District of Greater Vancouver, as well as provincial and federal jurisdictions. I would appreciate the Hon. Member's comment since he probably has similar concerns coming from the East Coast.

Mr. Rideout: Madam Speaker, I share the concerns mentioned by the Hon. Member. When one considers the Department of Transport and the wide number of items with which it deals, one wonders whether one committee dealing with safety in all of those aspects can really do the job. One also wonders whether a five-member Board can really do the job. We on the East Coast are just as concerned.

I recall hearing stories about PCBs being shipped over in the holds of Air Canada planes. There is the potential for all types of disasters to arise as a result of that, which cause citizens in the East Coast concern as well. We have similar type situations with both truck and rail traffic in shipping from the Ports of Halifax and Saint John. There are dangerous commodities involved. There are problems which could ensue. As I have indicated, we are concerned with the cut-backs and with the lack of support to the regional areas of the country that safety will become a greater problem. We do not have confidence in the Government that it will be able either to

have an independent board or to deliver on its supposed promise concerning safety.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I had originally not intended to take part in this debate. I thought rather that I would leave it up to others in our caucus who have more expertise and experience in the area of transportation safety. There is no question that the debate has been handled competently by my colleagues. It was only when the Hon. Member for Victoria (Mr. Brewin) and some other Members raised parts of the Bill relating to the power of the chairman of the Board to involve himself in a public inquiry if the Minister fails to do so under the Inquiries Act that I decided to participate.

When it was drawn to my attention by the Hon. Member for Victoria that the Bill also applies to marine incidents I felt compelled to address a number of issues around those parts of the Bill which I think are important.

• (1710)

We on this side of the House whose constituencies have been affected by the recent west Coast oil spills have had difficulty in persuading the Minister of the Environment (Mr. Bouchard) and other cabinet Ministers involved to strike a public inquiry into all aspects of the west coast oil spill that took place between December 1988 and January 1989. A public inquiry is desperately needed into a shipping incident off the West Coast which resulted in a tremendous amount of environmental damage, a tremendous amount of damage to my constituents in the fishing and aquaculture industry and in the tourist industry which will be affected by this spill both now and for some time to come.

This section of Bill C–2 gives us an additional opportunity where the Minister appears reluctant to strike an inquiry under the Inquiries Act to have the chairman of this safety Board take a look at the possibility of striking a public inquiry so that there can be full public involvement into accidents and damage which result from marine incidents.

I do not know why the Minister of the Environment feels so reluctant or so fearful of calling a public inquiry into the west coast oil spill. He knows, as most people on the West Coast and most people in this House know, that an in–house ministerial review is not sufficient to determine what the problems were with respect to the oil spill and what the causes were with respect to the caused the marine incident which ultimately resulted in oil spilling on to the oceans, crossing international boundaries, affecting Canadian waters and affecting the shores of Vancouver Island.

It is insufficient to have an internal ministerial inquiry to try to deal with all the causes of that problem and to deal with the adequacy of the response. What we have there is a case of the Ministry examining its own reaction to the oil spill. Needless to say there is concern on the part of the people of the West Coast of Vancouver Island that this is going to result in a cover–up, that adequate measures are not going to be taken, and that fault is not going to be placed where fault should be placed. Therefore we will not be able to react adequately to an oil spill in the future or to improve our reaction to such a spill in the future.

I welcome this provision in Bill C–2 to allow the chairman of the Board to strike an inquiry where he feels it is necessary and where the Minister has neglected to call an inquiry under the Inquiries Act. When I looked at the advantages of a public inquiry in this case, I cannot understand why the Minister of the Environment is so fearful of calling an inquiry. It simply does not make sense. We have the advantage of the volunteers who were the very first people on site when the oil came ashore on the west coast of Vancouver Island. They are not part of the current ministerial review, yet they have a great deal to say in a very informed way that would be helpful to the Ministry, to the Minister of the Environment and to the Minister of Transport (Mr. Bouchard) in their response to oil spills in the future. Those volunteers are excluded from the ministerial review, but they should be part of a full public inquiry into the incident which resulted in our West Coast being fouled by oil between December 1988 and January 1989. I cannot understand what the Minister has to fear from a full public inquiry into this incident.

First, he is ignoring the valuable input of those volunteers who did a great deal of work for which they should be congratulated. They were the first on the scene and were able to alleviate some of the problems which may have resulted had they not become involved in the clean-up right away when it was first coming on to the beaches.

The second advantage of a public inquiry is that we can hear from people who are experts in the development of oil spill response equipment. In my constituency offices on the West Coast, I have received a number of suggestions from inventors and entrepreneurs who have developed oil spill response equipment. Had the Government paid attention to these people prior to the last oil spill, they may have had the resources and the wherewithal to deal effectively and to prevent damage of the magnitude that eventually occurred because of the inadequate response of the various federal agencies that took place on the West Coast.

There has been an excellent proposal from a gentleman in my constituency by the name of Mr. Bedford who has developed a method of locating chip barges and hog fuel barges along the West coast of Vancouver Island. Those resources are there already. Chips and hog fuel can absorb a great deal of the lighter elements in the oil so that it can be captured, collected and burned before it creates a problem on our beaches. Yet Mr. Bedford does not get a hearing from the provincial Government or from the federal Government. In the absence of a full public inquiry, Mr. Bedford does not have an opportunity to present his proposal to the people who are concerned about oil spills, to the people in the Ministry of Transport or in this Board who might take a look at the proposal and discover it would be valuable to locate on the West Coast to prevent any further damage of the magnitude that took place as a result of the last oil spill.

Another gentleman who my colleague from North Island—Powell River mentioned in the emergency debate is a Mr. Wiley. He has developed a method for cleaning up oil spills in tidal waters offshore of the west coast of Vancouver Island. Again Mr. Wiley has not had an opportunity to present his proposals for oil spill clean-ups to a public body so that he can be cross-examined and suggestions can be made, suggestions for improvements to these techniques, and ultimately suggestions for the deployment of this equipment in various centres up and down the west coast of Vancouver Island so that these pieces of equipment will be there in the very likely event that another spill will take place, because as the experts have pointed out to us, it is only a matter of chance. As was mentioned by another of my colleagues, as we allow these tankers with vast quantities of oil to run up and down the coast from Valdez, Alaska into Cherry Point within a very few miles of the West Coast of Canada, which is a very delicate and sensitive coastal environment, there is bound to be another disaster, and in fact another disaster of major proportions, similar to what we are seeing in Valdez, Alaska within the last week or so.

We do not need simply to place the blame. Surely fault has to be placed because the response time of federal government agencies to the oil spill was inadequate and the quality of response was inadequate as well. We want to see where we went wrong and what we can do in the future to ensure that we do not go wrong the next time, and we know that the next spill is going to bring us much more serious damage, much more serious problems than the last oil spill brought to the west coast of Vancouver Island.

There are many advantages of a public inquiry that will bring benefits to all of the people living on the West Coast. It will make us better able to deal with oil spills or marine incidents the next time. I think that such a provision in this legislation is absolutely necessary. The chairman should be as independent as possible so that when the Minister is fearful of calling for a public inquiry because he does not want blame to descend on his Ministry, he will be sufficiently independent that he can call a public inquiry and the full facts of the marine incident which resulted in the oil spillage will be brought to the attention of the public. Also the full details of how to respond to a spill and how to correct a previous response will be brought forward so that we will be better able to deal with an oil spill next time.

• (1720)

I share the concerns that have been expressed previously by my colleagues. I strongly support the idea of a public inquiry process being inserted in the legislation. If the legislation is passed quickly, I hope we can overcome the unnecessary delay that has been developed by the Minister of the Environment over this oil spill issue. The delay has been damaging in itself. We should be getting to these issues right away, while they are still fresh in people's mind, while they are still able to make a contribution to a public inquiry.

I hope this portion of the legislation is passed quickly so that we can have a board in place which will strike an inquiry into that oil spill which took place off the west coast of Vancouver Island. At least then we can have an independent inquiry which we are all desperately seeking.

Mr. Skelly (North Island—Powell River): Madam Speaker, I have three short questions. The first concerns the matter of very serious importance. The Hon. Member for Comox—Alberni (Mr. Skelly) represents in this Parliament the people of the Nuu-chahnulth Tribal Council. They are currently working on a government contract under which they are becoming familiar with the beach areas. It is a voluntary organization for clean up. That contract is an important part of having a group of people available for the next oil spill.

The Government has denied the Kwagwelth people, who have oil washing upon the shores of their complex beaches, the same type of contract to clean up the oil and develop the expertise to clean up the resources. I want the Member to comment on that. It is absolutely necessary that the Government treat equally the native people on the West Coast who are exposed to these hazards.

Richard Lucas, a person from the Hon. Member's riding, is here in Ottawa. He co-ordinated the Nuu-chahnulth Tribal Council clean-up contract. The Prime Minister (Mr. Mulroney) has refused to see him. The Minister of Fisheries and Oceans (Mr. Siddon) has refused to see him. The Minister of the Environment (Mr. Bouchard) and the Minister of Transport (Mr. Bouchard) have refused to see him.

However, to compliment the Minister of Energy, Mines and Resources (Mr. Epp), he has made provisions to have discussions with this person who has first-hand knowledge. I suggest to my colleague, the Hon. Member for Comox—Alberni who has also heard the complaints, that the only way the Government will listen to the people from the West Coast of British Columbia is if, per chance, the next oil spill happens to circumnavigate the globe, wash up the St. Lawrence River and on to the shores of Charlevoix. That is the only way we will get a fair hearing on the next oil spill. That comment is being made by people up and down the coast of British Columbia.

People who come here as a delegation must be given a hearing by those responsible for launching a public inquiry and allocating the resources for the proper protection of the people in British Columbia. Will the Hon. Member for Comox—Alberni not agree?

Mr. Skelly (Comox—Alberni): Madam Speaker, given the nature of the question and the questioner, the question is in such terms that it would be very difficult not to agree. However, this is another of the problems that faced us during the development of this oil spill and the understanding that damage was taking place off the west coast of Vancouver Island. Once we found that the oil was coming ashore it was very difficult to establish contacts with the Ministers involved. We tried to phone the Ministers and we tried to contact them at their constituency offices, in one case, in Vancouver. It was very difficult to make contact with the Ministers involved.

When a disaster like this takes place, I think it is very important that the first contact that is made is between the Ministers who have jurisdiction over the clean-up and the issue, who should then get in touch with Members of Parliament in the area, members of the local Government in the area and make sure the information they have is made available to the people in the area and that the issue is treated on a non-partisan basis.

I think the agreement between the Nuu-chahnulth Tribal Council and the federal Government to monitor the beaches is an excellent one. I think it is based on some very good precedents. For example, there are archaeological observers or wardens who monitor the archaeological sites up and down the coasts. There are environmental wardens and fisheries wardens in the Department of Fisheries and Oceans who, as volunteers, basically monitor what is happening in the fishing industry and are able to report back to the paid staff in the Ministry so that they can be kept informed because they cannot always be in every part of the province or coast at once.

To have people from the Nuu-chahnulth Tribal Council hired virtually as coast watchers to make sure that damage is not taking place which the Ministry is not aware of is a good idea. It does not make any sense at all for the Government not to hire the Kwagwelth on the same basis that it hired the Nuu-chahnulth Tribal Council whose land occupies the southern part of Vancouver Island below the Brooks Peninsula. The Minister has left the northern part of Vancouver Island virtually uncovered when there should be a similar force monitoring that area.

I cannot for the life of me understand why the Minister does not treat the Kwagwelth Indians as fairly as he has treated the Nuu-chahnulth Tribal Council.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, I welcome the opportunity to debate this legislation, in all likelihood being the last Member to speak at this stage of the Bill. I must admit that I will stray somewhat from the topic, as I did this morning in my questioning, because I am not an expert on the CASB. However, I feel somewhat knowledgeable about the status of deregulation.

I suggest that the Government was ill prepared for deregulation, and myriad newspaper clippings indicate that it was indeed ill prepared. Let me just cite one of the hundreds of clippings: "Ex Pilot Claims Some U.S. Airlines Prefer Profit to Safety". I suggest that is coming true in Canada as well.

I believe the Government is as ill prepared for deregulation as it was ill prepared for the Free Trade Agreement. It is most unfortunate that the skies will not be any safer today than they were yesterday, nor will they be any safer tomorrow as a result of this new multimodal investigation agency. That is what is unfortunate about all of this.

Our Party welcomes the Bill in principle, but that is not the crux of the problem. The Bill does not solve the crux of the problem, which is deregulation. Deregulation has not lived up to some of the billings of the Government despite the warnings given by everyone else.

Cost cutting is the bottom line. I refer once again to northern communities that have suffered the loss of jet service. There is no competition in the northern communities. We have been subject to fare increases which, as I indicated this morning, have risen four times in four months in my constituency. It costs almost $500 now to fly return 450 miles from Sault Ste. Marie to Ottawa. It is cheaper for me to fly from Toronto to Vancouver. It is almost cheaper for me to fly to Europe than to go from Sault Ste. Marie to Ottawa. I think that is a shame.

Safety is decreasing at an alarming rate each day. The Radar Modernization Program, of which the Government is extremely proud I am told, is already outdated. I have it from good sources that it is not compatible with the American system and the Canadian radar cannot track some American airplanes flying over northern communities. There are some 6,000 flights daily over my community and certainly that causes us great concern.

Certain airports in northern communities have been reclassified from category 6 to category 5, with no appreciable difference in the aircraft, resulting in five or six people losing fire-fighting jobs. The Dryden tragedy is an example of the safety concern. A stewardess who perished on that aircraft suggested to her husband that she was prepared to quit in the very near future if things did not change. Less competition has resulted in a loss of 14 employees in my constituency in the past several months. Employees of Canadian partners will soon be out of work. Air Canada shut down a ticket office. One might say that this only affected two employees, so what, they can move to Toronto. I am reminded of the U.I. program. I suppose people from northern Ontario and other regions of Canada can move to Toronto get jobs. People who have worked for 15 or 19 years for Air Canada do not want to move to Toronto. They want to remain in their communities.

• (1730)

We will accept the new legislation after it is further discussed because we know the board will be a busy body. It will probably be too busy. It is our desperate hope that it will not be busy.

Daily we read horror stories in newspapers across Canada. Just a couple of weeks ago, our local paper had an article saying that passengers had described the Convair as ready for the bone yard and rickety, and Mr. McKnight, who just recently resigned from his Air Ontario post, said that these planes were built in the late 1950s and they have a high level of vibration. That is of grave concern to everyone in northern Canada.

We suggest that the airways are no safer today. We are concerned about ground safety as well. I am not sure that the investigation board should not look into the Minister's Department to see about its status.

The Acting Speaker (Mrs. Champagne): Are there questions or comments? Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Transport.

Mr. Cooper: Madam Speaker, I rise on a point of order. Considering the lateness of the hour and the fact that we have now completed this debate, I think that if you put the question to the House, the House would agree to call it six o'clock and proceed with new legislation tomorrow morning.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the Parliamentary Secretary. Is there such unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Then it is six o'clock.

Mr. Gauthier: Madam Speaker, I rise on a point of order. When we do these things unanimously, we sometimes forget the consequences, the consequence of this being that there are Members of the House who have an adjournment debate at six o'clock. Perhaps we could stand the House for a few minutes to give those Members, who I am sure are watching television, a chance to get here and speak on the adjournment debate.

Ms. Mitchell: Madam Speaker, I rise on a point of order. I would like Hon. Members to know that the two people from our side are here and are prepared to speak if that is the desire of the House.

The Acting Speaker (Mrs. Champagne): Are the Parliamentary Secretaries on the Government side present?

Mr.Cooper: Yes, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I would be prepared to change the order, should the Hon. Member who is not here not be present when his name is called.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ROYAL CANADIAN MOUNTED POLICE—BUS HIJACKING—TIMING OF INFORMATION

Mr. John Brewin (Victoria): Madam Speaker, on April 10, I raised the issue of the bus hostage-taking which had occurred the previous Friday. To put it succinctly, I asked the Solicitor General (Mr. Blais) how they managed to lose the bus for two hours. The Minister, in effect, answered that he did not know, he would ask the Commissioner of the RCMP to find out.

The facts that have emerged, such as we can tell at this stage, suggest a high level of confusion among a number of police forces. According to the reports, the Ports Canada police learned about the hostage taking from a passenger on the bus itself at around 11.45 that morning, and it was at about 1.45 p.m. that the bus showed up on Parliament Hill and reported its presence. The RCMP here in Ottawa had apparently not even heard of the incident. They moved quickly along with the security staff on the Hill. As we know, the incident was from that time on effectively handled. However, there were two missing hours about which questions have arisen, and I certainly accept the assurance of the Minister that a thorough internal investigation will be undertaken. I will look forward, as will all Hon. Members, to hearing from the Minister the results of that inquiry. I would look to the Parliamentary Secretary to assure us that the report will be presented to the House and made public in due course.

By the way, I am not sure whether or not this is the first opportunity we have given the new Parliamentary Secretary to strut his stuff. I certainly congratulate him on his appointment and look forward with some trepidation to working with him. The trepidation is based not on his charming personality but on the fact that he holds views, at least as previously expressed, with which I have often found myself in profound disagreement. We will sort all that out, I hope, in the next few years.

Underlying the question of what happened from the time Ports Canada police found out about this is the issue of co-ordination between the various police forces. Ports Canada police is one of 46 federal agencies empowered by legislation to have police powers and to act as a police force.

A few years ago, the Secretariat of the Solicitor General General undertook a study, the Federal Law Enforcement Under Review, or FLEUR for short. It reported in 1986, though the report was initially never made public. It reported that there was absolute chaos within these various federal agencies. There was poor management or no management at all. There was no

consistency of rules over, for example, who could carry guns, under what circumstances could they use guns, what they would report and how they would handle various incidents. All of the various agencies seemed to be operating on their own.

The report finally surfaced, partly due to badgering by journalists from *The Globe and Mail* and other newspapers under access to information legislation. We now understand that a committee of Deputy Ministers has been established and the Deputy Solicitor General will take some responsibility for chairing it. Ultimately, there will be some effort at co-ordination.

I say to the Parliamentary Secretary and to the Solicitor General through him that we will watch that committee very carefully. It will be very important that some very real resources be given to that committee, that it is not just a pro forma exercise done simply for window dressing. This is a very, very important issue.

At the federal level, there must be tremendous consistency in dealing with the issues of co-ordinating our law enforcement agencies across Canada. We on the West Coast, as the Parliamentary Secretary will recognize, know of problems we have had with wildlife officials in their attempts to enforce the law or to harass fishermen, depending on one's point of view. They have been agitating to carry guns. Under what circumstances do they do that? Who is in charge of all of this? The FLEUR report indicated that no one was. It is critical that there be quick and immediate provision of serious resources by the federal Government to implementing recommendations of the FLEUR report and carrying it through. That cannot wait. We will also ask and press for consistent and regular reports to the Standing Committee on Justice and Solicitor General. That should be done and I look to the Parliamentary Secretary to give us an undertaking that that will be done and that we will hear regularly and consistently on the progress of the Deputy Minister's consideration.

• (1740)

Let me mention another report that is relevant. I refer to the Senate report of a couple of years ago. After the assassination in the Armenian-Turkish issue the Senate made a report and I have seen a copy of it. One of the recommendations of that report, which is a couple of years old, is that the Solicitor General's Department be responsible for co-ordinating response to hostage-taking issues. That was a very clear and specific recommendation.

I put the following question to the Parliamentary Secretary. Was that recommendation implemented? Did the new Solicitor General (Mr. Blais), when he took office in February, understand that report? Did he take any steps to implement the report? If he has not, why not? Will he?

These are issues which should be undertaken and commitments made now that the Government will no longer allow hostage-takings and the chaos in federal law enforcement to continue, and that today we will get a commitment from the Government that this issue will be taken seriously by the new administration of the Department of the Solicitor General and that we will get action now.

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): I welcome the Hon. Member for Victoria (Mr. Brewin) as the critic for the Solicitor General and thank him for his guarded compliments. I know that any time he throws a compliment my way something is brewing! We will follow that in the future.

Mr. Wappel: Bad pun!

Mr. Friesen: I agree with the Hon. Member that the law enforcement agencies that worked on the case here in Ottawa deserve all the compliments we can throw in their direction. The RCMP and the Ottawa police forces work together very well. We are thankful that nothing untoward happened beyond what did happen.

I am sorry that the Member raised the question at the adjournment debate today. He asks a very legitimate question regarding the co-ordination of these law enforcement agencies. The newspaper reports indicated that there was a problem with co-ordination between the time when the hostage-taking first began and when it ended here in Ottawa. The public itself is concerned about that lack of contact or lapse of contact from the beginning to the end.

The Hon. Member mentions the FLEUR Report. As he indicated, there were more than 40 different Government agencies involved in it. As I stated, I am sorry the Hon. Member raised this issue so soon after the event, because it is a serious question and deserves a full answer. However, if the Hon. Member wants a full answer, it is not adequate or fair to raise it one week after the question was raised in the House. We can possibly provide a partial answer, but if the Hon. Member wants an adequate answer, then surely he has to give FLEUR an opportunity to do the investigation that will provide us the answer the Hon. Member is seeking, which is some type of assurance that there will be

lessons learned as a result of this and that there will be an adequate reporting made of it.

I am not blaming the Hon. Member for this, because it is early in the session. However, I am saying to him that one week is not very much time when we are looking at a cross-section of agencies involved in this activity.

I take his point very seriously. It is important that the Canadian people have an assurance that this type of reporting and integration will take place. When the agencies work together as an out-growth of the FLEUR Report, it is important that there will be a reporting of it. I give the Member the assurance that I will be happy to work with him to ensure that those agencies work together in a co-ordinated way in order that the people of Canada will have confidence in the integration of all of these agencies.

IMMIGRATION-REFUGEE CLAIMANT APPLICATIONS BACKLOG

Mr. Sergio Marchi (York West): Madam Speaker, I am grateful to have this opportunity during the adjournment debate to pursue a question that I posed to the Government, namely, the Minister for Employment and Immigration (Mrs. McDougall) on April 11. The question was in regard to the refugee backlog that has been completely mismanaged and ignored in terms of any agenda of priority that the Government may have had for the last session and also for this session.

It is useful to keep in mind that when the Government took office in 1984 there was a backlog accumulating in the number of 8,000 to 10,000 individuals. At that time the Liberal Government commissioned Rabbi Plaut to come up with recommendations to change the system to prevent the backlog from mushrooming.

As we debate this evening, the backlog numbers approximately 110,000 individuals in this country. It is an absolute shame that the Government has allowed that backlog to reach those numbers.

Last December 28 the Government added insult to injury when the Minister of Employment and Immigration announced programs or an initiative to speedily clear up the backlog. A few weeks ago, on March 31, the Government called a press conference and indicated that no processing on that backlog had started. For three months there was absolutely nothing done to ease the pressure of that human backlog that is festering. On top of that, the Government has suggested that the processing will not start until this summer at the very earliest.

Canadians, myself and my colleagues on this side of the House, are beginning to ask if the Minister will come in the summer and tell us that the processing will start at Christmas, or in the following year? I believe it is time the Government commenced its easing of the backlog. It is a sore point, not only in terms of the credibility of our system, but it is also very unfair to 110,000 individuals, some of whom have been in the country for two and three years and separated from their families and who simply want to know what the future holds for them. If they are to be accepted, then that is one set of equations. If they are not to be accepted, then obviously they will be deported and have to pick up their life from that point in time.

It does not behoove the Government to continually blame the Opposition, the constituency, the churches, or the social service agencies when the problem is staring at Government Members in the reflection of that giant mirror.

Time and again we have suggested to the Government that it attempt an administrative review, something which has been turned down, and to become sensitive and interested in the backlog that has not become better, but has become worse. In terms of undermining confidence in the system, it does us a disservice.

I urge the Parliamentary Secretary who will be responding for the Minister to come to grips with this problem. It is not good enough to simply say: "We are thinking about it. We are putting it into motion. It is going to take us some time for the administration of the exercise to take shape." We have not been articulating this problem and frustration for the last week, the last month, or for two months. It has been an ongoing situation for the better part of close to three years.

• (1750)

[*Translation*]

Madam Speaker, I think it is a tragic situation for the majority of these claimants who come from Quebec and Ontario. It is a tragedy for their families. It is a tragedy for our refugee system. It is a tragedy for our country because it is unable to give these people an answer, a future. While the Government is saying that we need more people and more immigration, it does nothing about this backlog, and it has taken a very negative stance toward new claimants.

With my party colleagues, I think we have a human backlog, a backlog of refugee claimants in this country who are waiting for this Government to act realistically and sensitively.

That is why we kept hammering away at this issue during the election campaign last year. We also put the pressure on in committee and in the House during oral question period, in the hope that the situation would improve.

Today, we are not getting any answers from the Government that would be satisfactory to the people who are part of this backlog.

I hope that the Parliamentary Secretary's reply will be able to give these people some glimmer of hope, some confidence in our system. I hope we will get that kind of response today.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada and Minister of State (Agriculture)): Madam Speaker, when this Member decides what side of the street he wants to work on, I hope he lets the people of Canada know.

A year and a half ago when we were debating Bills C-84 and C-55, this Member, together with his colleagues, did everything they could to block the Bill while so-called refugees were streaming into Canada at a rate of 2,000 a month. Yes, 2,000 a month, and the Member made sure, with his colleagues, that while we passed the legislation in this House in September, it did not pass through the Senate until the following June. Now he wants to know why is the Government not doing something about the backlog that he helped create. So will he tell us which side of the street he is working on? He had better make up his mind.

I am glad that not all the people in Canada think as he does. I want to refer the Member to *The Globe and Mail* of yesterday, to Jeffrey Simpson's column, in which he says:

> The four Toronto lawyers who are always yakking about Canada's immigration policies—Lorne Waldman, Mendel Green, Barbara Jackman and Marshall Drukarsh—find the backlog clearance program "impractical, improper and inhumane". They consider it immoral that Canada might deport thousands of people who, in the lawyers' words, will not "meet the credible basis test for a refugee claim on the humanitarian and compassionate guidelines".

There is no doubt that we could hurry the process up. But if we failed on one point, this Member would be screaming his head off that we were violating somebody's human rights. He would be the first on his feet to say that we were not doing our job. So we will make this system work, and it is working. He should know that the flow of bogus claims has gone down. It is working. In the meantime, the process is established, the applications are being received. He knows that the appeal process is working. What bothers him is that Bill C-84 and Bill C-55 are doing the job, that genuine refugees are coming into Canada, as they should be able to, but that the bogus claims are being turned off and the system is working.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner).

FORESTRY—FEDERAL-PROVINCIAL AGREEMENTS—ADMINISTRATIVE RESPONSIBILITY—REQUEST FOR CONSIDERATION AT FIRST MINISTERS' CONFERENCE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Thank you, Madam Speaker. I rise today in this adjournment debate to pursue further some of the questions I put to the Minister of State Forestry (Mr. Oberle) on April 10, in particular regarding the administration of forestry agreements with the provinces, the funding of such agreements, the creation of the Department, and a major study I made reference to. I look forward to the comments from the Parliamentary Secretary this evening.

First of all, I just want to comment. I have just come from a seminar that is in process, sponsored by Mr. Speaker, regarding Canada's role and responsibility in the crisis that our world's tropical and temperate rain forests are facing. What it points out to this House, and I think to all Canadians, is that forestry is a global issue as much as it is an issue here in Canada.

The point that I raised during my question was that following rumours and stories that were occurring during the November election campaign, the forestry agreement in British Columbia and other agreements in the country were going to end up being administered by some of those co-ordinating agencies that the Government has created. I refer specifically in western Canada to the Western Diversification Office, in the Maritimes to the Atlantic Opportunities Office, and to the federal agency in northern Ontario.

The question I put to the Minister on April 10 was seeking an assurance from the Minister that his Department, and his Department alone, would continue to administer those forestry agreements. I think it is critical that the number one industry in this country deserves its own department and is the prime agency when it comes to administering those agreements.

At the same time I raised an important question about the need for adequate funding to those agreements. As Members know, we currently have some six agreements that have expired with the provinces in this country. It is shocking that we have reached a stage where to date there were no official negotiations taking place between Ministers, that those agreements were allowed to expire. Now, of course, we are told to wait until the Budget on April 27. I fear for that wait. I think I have reason since, following the Minister of State's comments in the House on April 10, he said I would be pleased with the results after the Budget. A short few days later the Minister is suggesting that the agreements will have to conform to the new budgetary disciplines. I suggest to you that the Minister of Finance (Mr. Wilson) has talked to the Minister of State for Forests, and I suggest to you that it is the Minister of Finance who is running the Forestry Department. That is just not good enough for this country.

Another issue that has been on the agenda of this House, certainly in political campaigns and two election campaigns, is the creation of a fully legislative department and a national forests act. We are told the Prime Minister (Mr. Mulroney) has written letters, and yes, it will be done, and he made reference to that just recently when the Minister of State was appointed. I think we need an answer from the Minister, and from the Prime Minister, about what the Government's intentions are, specifically when the Government's own Minister says, and I quote from the *Prince George Citizen* of January 31, "However," he said—and this is in reference to the Department—"it is not a high priority of the Government". This is a Government and a Party across the way that has talked about creating a full department for two election campaigns and I do not know for how many years. But there was no reference in the Throne Speech to the creation of the department. We deserve more, Madam Speaker, and we are going to continue to pursue the Minister and the Prime Minister to ensure that we see that legislation in this House at the earliest date possible.

When I raised the question with the Minister, and I was able to cover a lot of ground when I had an opportunity to question him, I mentioned that a report is currently being prepared, or in the final stages, from his Department regarding the future of Canadian forests. I am pleased that we have been able to ferret out some information from the Department about this study. It is a critical study. It has been in the works now since 1986. It is a $300,000 study. You can appreciate with that kind of money what kind of study it is. It is pointing out how critical and important the forest industry is to this country, and the work that we have to do in the future. I am now told by the Minister that we will see the report in May. I look forward to its release. We can then discuss it in the Standing Committee. We can review the legislation put forward by the Government to create this department and also take a look at the report in terms of what it has to say about the future of the industry.

• (1800)

In closing, I wish to say that forestry is important to my riding, to British Columbia and to all provinces. There is a commitment from all Members of the House to forestry. We will hold the Government to its agenda. I look forward to continued and further action from the Government on this issue.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Madam Speaker, first of all, I would like to take this opportunity to say it is truly a pleasure, as parliamentary secretary, to be able to work together with the Minister of State (Forestry), the Hon. Member for Prince George—Peace River (Mr. Oberle). As a man and a minister he is very responsible, very much aware of the problems in the forestry sector in Canada and very much involved in promoting an industry that is so important to our country.

Not long ago, the Minister said, in referring to the various agreements signed in Canada, that the federal Government, working with the provinces of this country, had invested over $1 billion in our forests and federal–provincial agreements. As you know, Madam Speaker, one of the most important agreements, worth over $300 million, was signed with British Columbia.

I can also inform the Hon. Member that under these agreements, the Progressive Conservative Government has made a commitment to place tremendous emphasis on promoting the industry as such. We are proud to say that 80 per cent of these funds are invested in the field, in sylviculture and forestry generation.

Madam Speaker, we have made considerable progress under these agreements, and we believe in them. We prepared and sprayed more than one million hectares, and more than one billion seedlings were transplanted. This is very important work, Madam Speaker, and it must be allowed to continue. And I think that the Minister is quite aware of the agreements and works conscientiously with his colleagues in every province.

Regarding the province of my New Democratic colleague who asked the question, we can say, Madam Speaker, that this $300-million agreement has produced tremendous employment benefits: nearly 100,000 jobs were created. We can also say, Madam Speaker, that it brought major gains to British Columbia because thousands of hectares were replanted. That represents 850,000 days of work for British Columbia workers.

Madam Speaker, I think that as a responsible Government, we must first, as the Minister said, consider the national debt, but at the same time we must also look at—and the Minister said so, he repeated that we must be aware of the situation and continue to work together with the provinces to promote the growth of this highly important natural resource for the Canadian economy, namely forests, and to ensure that they continue to be a major source of wealth for our workers and businesses as they have been in recent years.

That is how, Madam Speaker, with the Minister of State for Forestry (Mr. Oberle) who is doing spectacular work to promote forestry, we will be able to give all Canadians and the Canadian forestry industry the best resources, the best technology, and together we will be able to move forward to the future.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.05 p.m.

HOUSE OF COMMONS

Wednesday, April 19, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

SPORTS

BOSTON MARATHON—CONGRATULATIONS TO ODETTE LAPIERRE

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, I want to pay tribute today to a top athlete of whom all my constituents in Montmorency—Orléans are particularly proud. In the famous Boston Marathon, which was run for the ninety-third time on Monday, April 17, Odette Lapierre of Beauport came in eighth among all female competitors and first among Canadian women.

Ms. Lapierre's performance is even more remarkable in that she could not train during the winter because of a leg injury. That did not prevent her from beating the gold medal winner at the Los Angeles Games, American Jean Benoit-Samuelson, to the finish line, with a time of 2:35:50.

I therefore call on my colleagues in the House of Commons to pay close attention to this courageous athlete who will represent Canada at the next Commonwealth Games in New Zealand next January.

Some Hon. Members: Hear, hear.

* * *

[*English*]

SMALL BUSINESS

EFFECT OF COPYRIGHT AND TRADE MARKS ACTS

Hon. Lloyd Axworthy (Winnipeg South Centre): The most important job of a Member of Parliament is to stand up and defend the rights of small individuals or businesses in this country who are treated with indifference by Government.

I would like to bring to the attention of this House the plight of Cynthia and Fred Brick, who own a very good furniture store that has been operating in the Province of Manitoba for the last 19 years. Because of the inadequacy of the Copyright and Trade Marks Acts, they are threatened with being put out of business by a large national franchise firm. The Minister of Consumer and Corporate Affairs (Mr. Valcourt) refuses to do anything about it.

The family has already spent $80,000 on legal fees in the fight against this case. The Minister, when he was responsible for small business, lent his support but now refuses to do anything.

I ask the Minister, and I plead with other Members to support it, that when the matter comes before the Advisory Committee on Trademarks and Copyrights, the Bricks will be allowed to appear before the committee, present their case, and have the Minister take immediate action, so that this very fine family and their firm can continue to operate in the Province of Manitoba.

* * *

IMMIGRATION

SUCCESS OF REFUGEE DETERMINATION SYSTEM

Mr. Bill Attewell (Markham): Mr. Speaker, Jeffrey Simpson, of *The Globe and Mail* was "right on" in his recent remarks about the Government's new refugee determination system, when he said:

> At last, Canada has a refugee-determination system that is fair and efficient. Now the task is to carry on with the new policy without listening to the criticisms from a few immigration lawyers in Toronto.

Many of my constituents in Markam and Whitchurch-Stouffville have been very upset at the serious abuses and queue jumping which have made a mockery of our refugee system over the past few years.

The new system is indeed working. As Jeffrey Simpson said:

> The word is obviously spreading that Canada, while still appropriately eager to accept genuine refugees, is no longer a pushover for economic refugees and other bogus claimants.

S. O. 31

EMPLOYMENT

CUTS IN TRAINING COURSES

Mr. Howard McCurdy (Windsor—Lake St. Clair): Thank you, Mr. Speaker. Yesterday, the Minister of Employment and Immigration (Mrs. McDougall)—absent her fashion cigar—admonished the Member for Nickle Belt (Mr. Rodriguez), to stop complaining and to help his community take advantage of the Canadian Jobs Strategy, so that his people can get into higher paying jobs where they will be better off. How hypocritical, and how completely asinine are the policies of this Government. As the Minister spoke, the Government was cutting 13 training courses at St. Clair College in Windsor. All were heavily subscribed, half had 100 per cent placement. One hundred people destined for those higher paying jobs promised by the Minister will have their hopes dashed. Thus this Government, which claims the flag of competitiveness and a better trained and educated workforce, shows that it is nothing but rhetoric, and strikes another blow at a community college system already critically bled by Tory leeches.

* * *

[*Translation*]

MEECH LAKE AGREEMENT

ABSOLUTE REGOGNITION OF QUEBEC'S STATUS AS A DISTINCT SOCIETY

Mrs. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, although eight out of ten provinces have already approved the Meech Lake Accord, there are prophets of doom in the House and in the country who are again raising the spectre of disunity. Blinded by irrational and illogical thinking, they are unable to recognize Quebec's cultural and linguistic uniqueness which make it a distinct society. It is nevertheless the crowning glory that gives Canada its beauty.

Mr. Speaker, in the 1981 (*sic*) referendum, Quebec said yes to Canada and its continued membership in this voluntary democratic union can only be based on the absolute recognition of its distinct character by its Canadian partner.

Mr. Speaker, on behalf of my constituents in Ahuntsic, I say to all those who want to turn back the clock: Canada will be even greater by accepting Quebec as a distinct society.

• (1410)

[*English*]

TAX REFORM

IMPACT ON SENIOR CITIZENS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I rise on a matter that the Government may choose to forget but one that all Canadians are being reminded of. I am referring to tax reform and the many surprises Canadians, particularly seniors, find in store for them as they fill out their 1988 tax returns.

An area of major concern is the handling of medical expenses, and the impact of converting from tax deductions to the 17 per cent tax credit.

For an individual with high medical expenses, such as a senior citizen requiring substantial care, the additional tax payable caused by this measure is in the thousands of dollars. In Ontario, an individual with $30,000 in medical expenses would pay an additional $5,400.

Why did the Government use a 17 per cent tax credit for medical expenses rather than the 29 per cent used for charitable donations? Why is it socking it to seniors once again?

I call on the Minister of Finance (Mr. Wilson) to rectify this dreadful situation.

* * *

FOOD

RED MEAT—ALLEGED MISINFORMATION ISSUED BY CBC

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, last Friday morning I awoke to an unbelievable newscast from the CBC. It said that every year two million Canadians become sick and hundreds die from eating red meat.

The numbers came from a study of illnesses from food poisoning, and had been adjusted by a factor of 350 because of the assumption that many such cases are not recognized as food poisoning and are not reported.

As a veterinarian, my knowledge of the quality of red meat produced in Canada made me realize immediately that the newscast was in error. But would the average consumer know this? No. He or she would not. The consumer should know that the red meat produced in Canada is of excellent quality, but the improper handling of meat or any food product can lead to bacterial build up and food poisoning.

What a shame that once again the Canadian food industry and Canadian farmers were victimized by a sensational headline.

* * *

EXTERNAL AFFAIRS

LEBANON—CALL FOR ASSISTANCE FROM CANADIAN GOVERNMENT

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, we read with remorse about the worsening conditions of countries in the Middle East. The wars rage on and leave in their path the destruction of both property and life.

The people of Lebanon are under siege by the army of Syria and the lives of innocent men, women and children are sacrificed daily. Schools, hospitals and factories are being bombed indiscriminately.

In my riding of Essex—Kent, and the immediate surrounding area, some 15,000 Lebanese descendants fear for the lives of their friends and relatives in their homeland. These are lives that need not be wasted by the ravages of war.

I ask the Government to be steadfast in its commitment for peace and to voice that commitment to the United Nations. I ask the Government to take immediate measures to improve the immigration practices and to help with the transportation of those in need, and to assist innocent victims in being taken safely out of the areas of danger.

Mr. Speaker: I regret that the Hon. Member's time has expired.

* * *

UNEMPLOYMENT INSURANCE

PROPOSED CHANGES IN PROGRAM—IMPACT ON RURAL AREAS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, while the Minister responsible for unemployment insurance attempts to rationalize cutting benefits and privatizing training programs, I want to cite an incident in my riding that illustrates one of the fundamental problems for working people in rural areas.

A constituent of mine lives outside town. She has no car and there is no public transportation. She works fairly regularly and has been able to hitch-hike to work.

However, when she experiences a periodic lay-off and wants to look for work, she is told that she is not eligible for unemployment insurance because she does not have adequate transportation. That is obviously an assumption in policy created by someone with no understanding of rural life.

A similar instance is that of farmers who have been asked to leave farms in order to qualify for unemployment insurance benefits.

I call on the Minister to ensure that there is regional consultation in the unemployment insurance policy development and that rural Canadians are considered an important part of the workforce, as they are. It is time for the Government to understand the real needs of all Canadians.

* * *

CANADA POST

POSSIBLE CLOSURE OF POST OFFICE AT NEUSTADT, ONTARIO

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, the village of Neustadt in my riding of Bruce—Grey has had a post office for 120 years, and it is now in danger of losing it.

Neustadt is a municipality on the move. It is undergoing a dramatic transformation from a farm village to a crafts and tourist village, which has increased business and tourist use of the post office facilities. It is also the birthplace of the Rt. Hon. John George Diefenbaker, former Prime Minister of Canada. The home where he was born is being restored, which has generated and attracted a great deal of attention from all across Canada.

With the increased business being generated for the post office in Neustadt, Canada Post should allow its post office every opportunity to become a profit-generating enterprise and continue to be part of the lifestyle of its citizens.

I call on the Minister who speaks for Canada Post in the House, and I also call on Canada Post itself, to continue the Neustadt post office as a full-time, full-service post office.

ORAL QUESTION PERIOD

[*English*]

REGIONAL DEVELOPMENT

RENEWAL OF AGREEMENTS WITH NEWFOUNDLAND

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. I want to know if all the economic and regional development agreements with Newfoundland which expired on March 31 this year will be renewed. I particularly want to know why the Government of Canada is engaging in an unfair game of economic treachery with the poorest province in our country, the people of Newfoundland. Why have the regional development agreements not been renewed? Why is that arrogant Government making the people of Newfoundland pay to reduce a deficit for which they are not responsible? I ask that of the Prime Minister.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, if I may reply to the right hon. gentleman, I would remind him that what his statement represents is absolute balderdash. This Government has in the past demonstrated a tremendous commitment to regional and economic development. At the present time in Newfoundland there are many economic co–operation agreements still in effect. For example, we have agreements involving ocean industries, highways, harbour resources, livestock, agri–products and so on.

The fact that some of these agreements have recently been mentioned, a couple of weeks ago, indicates that the process is still alive and well in Newfoundland.

Mr. Turner (Vancouver Quadra): The Minister for International Trade sat through that response very uncomfortably. I can understand that. I doubt very much if he will retain his patience as this exchange continues.

EXPIRY OF AGREEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the people of Newfoundland and Labrador are used to the kind of deception just practised by the Minister. They want to know about the $22 million mineral development agreement with Newfoundland which expired on March 31. Will it be renewed? The $21 million tourist development agreement with Newfoundland expired on March 31. Will it be renewed? The $28 million Burin Peninsula agreement expired on March 31. Will it be renewed? The $52 million pulp and paper agreement with Newfoundland expired on March 31. Will it be renewed? If not, why not? Will the Minister please reply?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, it is transparently obvious why the Leader of the Opposition has worked himself up into this semi–righteous mode of indignation today. One can easily understand his new–found interest in Newfoundland.

Some Hon. Members: Hear, hear!

Mr. MacKay: It will be interesting to see if his enthusiasm continues later in the week.

This Government has nothing to apologize for in terms of its commitment to regional development. As the Prime Minister indicated, we have practically doubled our commitment to regional development in all of Atlantic Canada. As the Prime Minister indicated today, there are absolutely silly reports that the federal Government plans to slash regional development funding to harmonize with U.S. programs and so on. That is an absolute lie which has been put out. This Government has a continuing commitment to regional development in Atlantic Canada.

Mr. Turner (Vancouver Quadra): The Prime Minister and the Minister of Trade used almost the same vocabulary during the election about unemployment insurance.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If anyone is going to be indignant tomorrow, it will be the people of Newfoundland and Labrador. They will have something to say about it.

ASSURANCES REQUESTED THAT AGREEMENTS WILL BE RENEWED

Right Hon. John N. Turner (Leader of the Opposition): During the very course of this election, this Government in Ottawa sold out Newfoundland fish to France. It cut unemployment insurance, it stalled on Hibernia and now it has refused to say whether or not those agreements will be renewed. I ask the Minister to answer that.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am not sure if there was a question there but it gives me an opportunity to reply to the hon. gentlemen and remind him that this Government has done more to assist Newfoundland than any other government in history.

Some Hon. Members: Hear, hear!

* * *

• (1420)

REGIONAL DEVELOPMENT

NEWFOUNDLAND—REPORTED CUTS IN PROGRAMS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Prime Minister. Despite the Government's cynical manoeuvre of delaying the federal Budget until after tomorrow's election in Newfoundland, Newfoundlanders and all Canadians now know that they will be the victims in the Government's deficit-cutting mania. If the Government is not planning to make the drastic cuts to regional programs suggested in today's St. John's *The Evening Telegram*—

Mr. Speaker: I think the Hon. Member would want to put his question.

Mr. Leblanc (Cape Breton Highlands—Canso): Mr. Speaker, if the Government is not planning to make the drastic cuts to regional programs, will he assure the House and the people of Newfoundland before they vote that regional development programs for Newfoundlanders will not be cut?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I have already read a list of some of the agreements—

Mr. Turner (Vancouver Quadra): Didn't take you long. It is pretty short, isn't it?

Mr. MacKay: Well, it is longer than yours.

Some Hon. Members: Hear, hear!

Mr. MacKay: I applaud the interest in regional development of my colleagues opposite. I can understand why they have that interest. However, they should recognize and be fair about the fact that this Government has given more assistance of a better type and quality than any other Government in history, and they will have to wait for a few more days, as will people who are interested in other areas of Government, the proper way to do this under the budgetary process, to get all the answers they want.

ASSURANCE REQUESTED THAT NO CUTS WILL BE MADE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, in *The Evening Telegram* article, the spokesman for the Government estimates that the budget for the Industry Department will be slashed, leaving only $250 million in discretionary funding, from a $1.3 billion annual budget for regional development programs. Is the Prime Minister prepared to deny these revelations and confirm to Atlantic Canadians that spending on regional development programs will not be slashed in next week's Budget?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, the Hon. Member should realize that it does not do much good to read reconstituted articles from *The Toronto Star*, even if they are reprinted in Newfoundland or in any of these, as we would say, upper Canadian papers that are speculating.

Mr. Crosbie: Where are your Newfoundland Members? All five of them have disappeared. Where have they gone?

Some Hon. Members: Oh, oh!

Mr. MacKay: The Hon. Member will realize that the commitment—Mr. Speaker, I don't believe they want to hear the answer.

Mr. Speaker: The Hon. Minister's colleague seems to have gotten into this question period. The Hon. Minister may want to respond.

Mr. MacKay: Mr. Speaker, all I can tell my colleagues opposite is that this particular effort for this current year in regional development assistance is the most comprehensive of any year yet. They will have to wait until after the Budget is brought down and they can ask their questions then.

* * *

ABORIGINAL PEOPLES

FUNDING FOR POST-SECONDARY EDUCATION—REQUEST FOR DELAY IN IMPLEMENTATION OF PROGRAM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. As the Minister will know, until April 1 of this year, the Government had in place an educational program for the aboriginal community at the post-secondary level that was at least working and acceptable. Then the Government of Canada unilaterally imposed changes to it.

The Minister met with young students as well as other aboriginal leaders yesterday to discuss the situation. The consequence of the meeting was that the Minister told them that this program would still be put in place on September 1 and yet he contended that he was willing to have discussions.

Since the Minister's new program has been universally rejected by the aboriginal community, why does he not accept their reasonable position to hold off implementation of that program for the coming year and in the meantime, have discussions that will hopefully lead to an agreement between the aboriginal community and the Government of Canada? Surely that is reasonable.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I have indicated on a number of occasions already, a year ago my predecessor announced that there would be a review of the E–12 guidelines that were in force at that time. There was a discussion paper circulated throughout Canada on this particular subject. There was a consultation process that was supposed to take place from July until October and was extended until December. Following the recommendations we received through that consultation process, important changes were brought to the discussion paper, as indicated in the policy that I announced on March 20, which came into force on April 1, but in fact will apply as of September 1 for school year 1989–90.

Notwithstanding that, I am prepared, as I have indicated from the outset, to sit down again with the leaders and chiefs of the native people and the students, if they wish, in order to review the possibility. Particularly, if there are inequities, we will look into them. However, over–all, the new guidelines are more generous, better and fairer than the ones that were in force at that time. If Hon. Members would look at the First Nations' document on education, they would find that it indicates that E–12 is inadequate and inappropriate.

REQUEST THAT NEW GUIDELINES BE SUSPENDED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the aboriginal community had suggestions and criticisms to make about the old program, but as he also knows, by and large it was working and was acceptable to the aboriginal community. He knows as well that the new guidelines he is now talking about have been universally rejected from the West Coast of Canada right through to the East Coast by the aboriginal people. Just for once, why will he not listen to them instead of his advisers here in Ottawa? That surely is the issue.

I appeal to the Minister, who has been reasonable in past portfolios and who has considered the constituency he is supposed to represent in Cabinet. Since the aboriginal people of all people in Canada at long last deserve justice, why will he not keep in place the existing program, suspend his new guidelines and hopefully negotiate a program that is acceptable to everyone?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, again, as I have indicated, the First Nations themselves found that the E–12 guidelines, the old guidelines, were inadequate and inappropriate. We have a program here that we feel is more generous and fairer for all native students across Canada. We are talking about a program that went from $4.2 million at its start in 1975 to $130 million today, for 15,000 students, representing an average of close to $9,000 annually for each student. It covers tuition fees, books, accessories, travel assistance and allowance for cost of living including food and day care.

I believe that these new guidelines are better than the ones that were there before. I have already met with the leadership four times in the last two weeks and I am prepared to continue the process. If there is more that we can do, we will do it.

REJECTION OF NEW GUIDELINES BY ABORIGINAL LEADERSHIP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows full well that the guidelines may be acceptable to him, but without exception, the aboriginal leadership from coast to coast has rejected the guidelines. Surely among those people who have rejected it are a great number of reasonable human beings, and they are the people affected by these guidelines. The Minister should be listening to them.

Since the Minister has now said to all of us in the House something about what has happened in terms of spending for aboriginal peoples, I would like to read to him and ask him for his response on an observation made last week, not ten years ago, by a Canadian Human Rights Commissioner who said: "An Indian youngster in Canada has a better chance of being sent to prison than of completing university". That is a national disgrace. In this context, why is the Minister even contemplating putting a ceiling on post–secondary educational spending? Is it not better to spend money on education than on welfare for aboriginal people?

• (1430)

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is fair to say that obviously I agree with the quote the Hon. Member has just given us, and I took good note of it last week when it was given by Commissioner Yalden. That notwithstanding, this budget has increased 30 times since its inception. We are now giving an average of $9,000 per year per student.

If I can sit with the leaders and the students, obtain the appropriate data, as they are reasonable and I am reasonable, I will be asking for more if the need increases over the years.

* * *

ABORIGINAL PEOPLES

FUNDING PROGRAM FOR POST-SECONDARY EDUCATION—REQUEST FOR NEW DEADLINE

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

Over the last few weeks in the House we have repeatedly heard the Minister tell us that he has met with the chiefs and the leaders of the native peoples. He has stated that he has listened, but obviously he has not. If the Minister had been out there today, as I was, to listen to the leaders of the native people, he would have found out that those individuals are not pleased with his policy.

Based on that fact, would the Minister today, instead of saying he is meeting and not listening, change the deadline to April 1, 1990, in order to give the First Nations the time needed to collect data and develop a policy which will be of benefit to the native peoples and to the Government.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, since I have been in all those meetings, I can assure my hon. friend that I have been listening very carefully. If the Hon. Member had been listening very carefully, he would know that, on average, we are giving out $9,000 per year per person in total grants in this particular program today.

As I have indicated, there has been a consultation program from July until December. We still have five months until September 1 in order to review the policy as it is. I am prepared to do that. I am prepared to listen, and I was prepared to listen yesterday when the natives walked out on me during that meeting.

EFFECT ON WELFARE ROLLS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the same Minister. Based on the fact that $316 million were spent last year on welfare for native peoples, and because of this new policy, the estimate is that that will go up to $400 million in the upcoming year, as a result of this policy, can the Minister tell us how many more native people will be unemployed, how many more of them will turn to drugs and alcohol abuse, and how much will this affect the deficit in the years to come?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, this policy has gone from $4.2 million to $130 million over the years. I think that is an indication that certainly this Government in particular believes in post-secondary education.

We also believe in graduating from post-secondary education, and fulfilling the goals of the First Nations, which is self-government and self-sufficiency.

* * *

UNEMPLOYMENT INSURANCE

CHANGES IN PROGRAM—SHIFT TO WELFARE ROLLS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Prime Minister. Last week the Minister of Employment announced that she will take $800 million out of the Unemployment Insurance Fund, and thereby reduce the coverage for unemployed workers with that unemployment insurance program.

Over the weekend, Conservative Premier Buchanan of Nova Scotia said that such a move by the federal Government would simply shift the burden for unemployed workers from the unemployment insurance program to provincial welfare rolls, a consequence which most provinces cannot afford.

When does the Prime Minister intend to meet with the provincial premiers with respect to this matter? Will he be ready to offer them additional moneys to take care of the additional unemployed who will have to be taken of under welfare programs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, very shortly I will be meeting with my provincial counterparts. We will be discussing the new program and the benefits that it has for the provinces. I would remind the Hon. Member of the additional funding that we have put into this program for social assistance recipients. It has been a very successful program that was introduced by the Government, and it is going to be expanded from $600 million to $800 million, if we get the full funding on the provincial side.

There will not be an increase in the welfare rolls as a result of this program.

ASSISTANCE TO PROVINCES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Conservative Premier of Nova Scotia states that there will be an increase in the welfare rolls as as result of this program. One cannot take $800 million out of unemployment insurance without cutting the coverage, and that is what the Minister is doing.

We are not opposed to putting people back to work. We are opposed to cutting programs which take away the right of people to pay for their food and rent.

I want to ask the Government, especially the Prime Minister because he is responsible for over-all policy, how are the provinces going to pay for this additional welfare? Will the Prime Minister offer additional moneys to the provinces to take up the burden that he is shifting to them?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is totally ignoring the fact that the social assistance recipient program that we have funded in the past has taken people off the welfare rolls. There are fewer people living in poverty today than there were when this Government took office, there is more training for people today, and there are more jobs for people today.

Let me remind the Hon. Member of what the parliamentary committee, of which the Hon. Member was a member, has stated.

Mr. Allmand: Talk to the Premier of Nova Scotia about it, Barbara.

Mrs. McDougall: It stated "That Section 39 (Training) of the Unemployment Insurance Act be amended and alternate provisions be made to more clearly assist claimants to use their benefits to develop suitable skills". "Unemployment insurance can be more than just earnings replacement while unemployed. It should be a vehicle to help people realize better and more stable employment opportunities in the future".

That is exactly what the Hon. Member signed, Mr. Speaker.

* * *

REGIONAL DEVELOPMENT

FREEZE IN FUNDING OF PROGRAMS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, today members of the Government have stated that the stories about regional development cuts are false. They stated that the regional development help is more comprehensive than that from any Government in the past.

If this is so, why has the Government frozen almost $1 billion-worth of renegotiations of economic and regional development agreements with provinces from the East Coast to the West Coast to the Arctic?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in the Throne Speech there are comments indicating the commitment of the Government to regional development as evidenced by the Western Economic Development Office, the Atlantic Canada Opportunities Agency, the expansion and continuation of regional development programs of FEDNOR and the Quebec programs through my Department.

In the Prime Minister's comments during the Throne Speech debate he again indicated the Government's commitment to co-operative regional development efforts.

The statements made by the Government are there. They stand on their own. I do not know why the Hon. Member won't take them as given.

Mr. Langdon: Because, Mr. Speaker, I have been here for the last four years and I have seen statements like that turned upside down by the Government within months.

[*Translation*]

REQUEST FOR CONTINUATION OF NEGOTIATIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary is directed to the same Minister. Why is the Government not continuing negotiations on the science and technology projects connected with the general agreement signed with Quebec last year? Why?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, we are. The Hon. Member shakes his head. I do not know what he is talking about or what he is alluding to.

The fact of the matter is that our discussions with the Quebec Government were left to an entente last year. There are some things that the Quebec Government needs to get back to us about, but it is not complaining about any lack of progress. I do not know why the Hon. Member is.

* * *

UNEMPLOYMENT INSURANCE

CHANGES IN PROGRAM—EFFECT ON FISH PLANT WORKERS

Mr. George Proud (Hillsborough): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As a result of the recently announced changes to the UI program there will be some 30,000 fish plant workers, most of them women, who will have to find additional employment if these proposed changes go through. In Newfoundland, fish plant workers receive benefits. With the minimum requirements across Canada going up, where will these workers find the extra work to qualify? Can the Minister assure this House that Atlantic Canadians will not be tossed on to the welfare rolls?

• (1440)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this Government has the best job creation record in Atlantic Canada of any Government in the history of Canada.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Let me just remind the Hon. Member that there is $15 million more going into Newfoundland as a result of this program. There is $15 million more for Newfoundland next year.

Let me just read from *The Gander Beacon* in Newfoundland:

> —18 trainees from the Gander–Fogo–Lewisporte area graduated from a six–month federally funded training program.
>
> The program, run by the Newfoundland Career Academy, trained 18 young people to enter the work–force in banking, clerical and retail positions.

The local administrator said:

> All of us involved with the program are happy with the results.

Some Hon. Members: Hear, hear!

REQUEST FOR DETAILS OF REVIEW

Mr. George Proud (Hillsborough): Mr. Speaker, continuing with the fishermen, the Minister of Employment and Immigration confirmed on April 11 that there would be a review of the unemployment insurance scheme for fishermen.

Many of these fishermen are unaware of this review and what it could entail. They are concerned about how they will be affected. Will the Minister explain to all Canadian fishermen what this review will consist of, when it will take place and when we can expect a report.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I will ignore the fact that I am being royally misquoted and simply say that there is no contemplation of any changes for fishermen under this program.

* * *

[*Translation*]

HOUSING

EXEMPTION OF SALES TAX FOR CERTAIN TYPES OF HOUSING—MINISTER'S POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of State (Housing). The Minister is of course aware that members of the Canadian Real Estate Association are here in Ottawa, and that they are concerned about the fact that the Government might impose a national sales tax on the housing sector. The Minister may have said recently, on more than one occasion, that the new national sales tax would not increase the cost of housing, but he obviously has not convinced the sectors concerned.

An Hon. Member: He is reading!

Mr. Martin (LaSalle—Émard): Yes, and quite well too.

Will the Minister give the House the assurance today that this new sales tax will not apply to new homes, homes up for resale and rental accommodation?

[*English*]

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member is aware, real estate industry builders, salesmen, and all members of the real estate industry have been making submissions with respect to the national sales tax for some time. It is of great concern to all of the industry and it is certainly of great concern to me and the Government. I know the Minister of Finance is taking all of these representations into close and careful consideration.

As the Hon. Member is aware, the Minister made a statement in November with respect to the imposition of the tax and the question of affordability. I am sure that that undertaking will continue to stand.

Mr. Martin: Mr. Speaker, the Minister is backing off from very clear statements of protection for affordable housing that he made on a number of occasions prior to the election.

Some Hon. Members: Hear, hear!

TAX REFORM—MINISTER'S POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, there is a chronic shortage of housing in this country. Canadians cannot afford shelter. Shelter is in jeopardy and thousands of Canadians will lose any possibility of owning a home if this sales tax goes through. This Minister and the Minister of Finance stated that there will be no negative impact on affordable housing from sales tax reform.

Will the Minister of Finance be more forthcoming than the Minister of Housing? Will he explain how the price of housing will not go up if the sales tax is imposed? Will he also tell us whether this sales tax will be imposed on mortgages, insurance on mortgages, materials that go into new housing and on real estate and legal fees? In other words, will he tell us that the cost of housing will not go up because of this hidden tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is great to see the Hon. Member in full flight. I know that that will be put to good use in the months to come.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member has asked a serious question. I have made clear statements in the past as to the impact of the new sales tax on the affordability of housing. I stand by those statements. They are there in print for the Hon. Member to see if he cares to look at them. The Hon. Member is asking some very specific questions about the formulation of a tax. He knows that I cannot be any more specific at this time.

* * *

REVENUE CANADA

COLLECTION OF TAX ON KICK-BACK PAYMENTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance. He is aware that as Minister of Finance he allows individuals and corporations to deduct bribes, kick-backs and under-the-table payments from income tax. Yesterday the Minister of National Revenue, to his credit, said he found this practice to be offensive.

Since the Minister of Finance is responsible for tax policy in this country, does he agree with his colleague that this is, indeed, a very offensive practice, and will he put an immediate end to it?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, yesterday I said that I found the interpretation of the Act offensive as outlined in a circular first presented in 1976 by the former Liberal Government.

Some Hon. Members: Oh, oh!

Mr. Jelinek: I also said that I would look into the matter. Since yesterday I have had an opportunity to review the situation personally and find that the interpretation is not only offensive but morally and ethically unacceptable. As a result, after discussions with some of my Cabinet colleagues, particularly the Minister of Finance, we have concluded that the Government will be making some legislative changes in order to allow us in Revenue Canada to change the offensive wording of the interpretation.

I am, therefore, today withdrawing this circular to begin the process of rewording it in accordance with legislative changes.

Mr. Nystrom: Mr. Speaker, I thank the Minister for his promptness. Perhaps the Prime Minister could learn from that example.

Some Hon. Members: Oh, oh.

Some Hon. Members: Hear, hear!

COST OF TAX LOOPHOLE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have another question for the Minister of Finance. I think Canadians have a right to know how much this particular tax loophole has cost them in the last number of years.

Can the Minister give an example of the size of savings to individuals and corporations by this tax loophole that he allowed for over four years as Minister of Finance in terms of briberies and kick-backs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Minister of National Revenue has stated very clearly that this matter came to our attention yesterday. We made a change and we announced it one day later. I think that gives the Hon. Member a very good indication of how seriously we take this question of tax loopholes, things that we find offensive. We have been doing a great deal to get them out of the tax system. As I have indicated, I appreciate the Hon. Member's support.

What the Hon. Member has asked is the tax cost. I do not believe that it is a significant amount of money because that is certainly not the way business is done in this country and there will be no value in this from the standpoint of the Tax Act in the future at all.

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[*Translation*]

MINES

REINSTATEMENT OF CANADA-QUÉBEC AGREEMENT ON MINERAL DEVELOPMENT—GOVERNMENT'S POSITION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Canada-Quebec Minerals Development Agreement has been relatively satisfactory in meeting the objectives that were set. The agreement expires in 1990.

Mr. Speaker, my question is this: Could the Minister inform the House whether the agreement will be renewed and whether it will include the financing of a minerals research laboratory by Canmet in Abitibi-Témiscamingue?

• (1450)

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member has taken a great interest in mining development not only in Canada, but particularly in northern Québec. I remind him that the MDA with the Province of Québec expires in 1990. There has been some very good technology out of that agreement, particularly in the Member's riding, with mining technology. He has been very instrumental in getting that development. I congratulate him. Obviously the representation that he has made I will take into consideration.

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[*Translation*]

PUBLIC SERVICE

VISIBLE MINORITIES—HIRING—GOVERNMENT'S POSITION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the President of the Treasury Board. Today, people talk about equality for all Canadians. Although last year, almost 17 per cent of all applications for employment with the Public Service came from visible minorities, these represented less than 5 per cent of total recruitment for the Public Service. What does the Minister intend to do to end this flagrant discrimination?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to answer the Hon. Member by quoting a number of statistics that basically apply to employment equity programs that have been established since 1985. For instance, the number of women in managerial and senior positions increased from 7.3 per cent to 10.3 per cent; the number of native people, from 1.5 per cent to 1.6 per cent; the disabled, from 1.5 per cent to 2.6 per cent. For visible minorities, the figure almost doubles, rising from 1.7 per cent to 2.7 per cent. Our policies are working. I admit that progress is slow, but as with any policy that affects Public Service employees, it takes time before improvements can be made. However, I think this is already quite a lot, over a two-year period.

[*English*]

NATIVE PEOPLES AND VISIBLE MINORITIES

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I don't think the Minister can hide behind figures and gutless programs. The Minister knows very well the findings of the Human Rights Commission. In federal government Departments the representation of native peoples is abysmal. Women professionals make up under a quarter of the Public Service.

Some Hon. Members: Question.

Ms. Catterall: Visible minorities are negligible in the blue collar categories.

An Hon. Member: It sounds like a speech to me.

Ms. Catterall: It is cruel and deceitful to encourage people to apply for jobs—

Mr. Speaker: The Hon. Member will put her question.

Ms. Catterall: How does the Minister explain that in 1988, 12 per cent of all applicants to the Public Service were hired, but only 3.3 per cent of visible minority applicants were hired? What concrete steps will the Minister take immediately to end discrimination in hiring against visible minorities and native Canadians?

Hon. Robert de Cotret (President of the Treasury Board): This Government is deeply committed to equity in employment practices. I think we have shown that, and I think the numbers have shown that. I am willing to make the commitment that we will not let up on our effort to ensure that all target populations, and I think the Hon. Member has mentioned most of the populations within the Public Service, will be well treated and well represented. The policies have been put in place to do just that.

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EXTERNAL AFFAIRS

LEBANON—PLIGHT OF REFUGEES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In response to my question yesterday when I asked the Secretary of State for External Affairs what this Government is doing to help the thousands of Lebanese refugees who have fled to neighbouring countries, he said:

> I don't mean to shed the responsibility of Canada on to others.

But, Mr. Speaker, if he does nothing, he is shedding this Government's responsibility.

I ask the Prime Minister again, what is the Government doing to help those refugees who are no longer in Lebanon?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs said yesterday that he has been in close touch with the situation in Lebanon, and we are doing what we can to assist. In response to the special appeal of the International Committee of the Red Cross, we are providing $500,000 to Lebanon. At the United Nations our own mission is consulting with the five permanent members of the Security Council to see what might be done from the vantage point of the Security Council. We would be prepared to support any proposal for a meeting of the Security Council in Lebanon if it appeared that this would be helpful. As the Secretary of State of External Affairs said yesterday, we are doing what we can to assist in this situation.

PROVISION OF CANADIAN CONSULAR SERVICES

Mr. Jesse Flis (Parkdale—High Park): That is an excellent example, Mr. Speaker, of how this Government is not doing enough for the refugees in Lebanon. My supplementary is to the Right Hon. Prime Minister. Since the fighting flared up in Lebanon last month, although thousands have fled, thousands more are trapped in the City of Beirut with no food, water or electricity. The bombing and shelling continue. What is the Prime Minister doing to provide consular services that are more accessible to the people in Lebanon? He knows he cannot ask them to travel to Damascus. Will he take the suggestions made by my colleagues from Essex—Kent and Montreal—St. Denis and open a temporary office in Cyprus and ensure safe transportation and protection for Lebanese refugees wishing to emigrate to Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important that the Hon. Member know that within our country we took the action on April 6 of not removing people to Lebanon. I want him to keep that in mind because I have asked my officials under our own programs to look at anything that we can extend by way of our services to these refugees in question. Also, I should point out that private agencies could help with this, and we would solicit their support in assisting refugees in Lebanon.

NATIONAL DEFENCE

REQUEST FOR MORATORIUM ON PROSECUTION OF NATIVE PROTESTERS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister will be aware, I am sure, of the judgment brought down in the provincial court of Newfoundland which acquitted four Innu protesters of the charges brought against them by the Crown. I would like to ask the Prime Minister if the Government would be willing today to give a commitment not to appeal the decision of the provincial court, to drop the charges against the other protesters, to declare a moratorium on low-level flight testing and to reach the negotiated settlement with the Innu people that the judgment recommends?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my understanding is that the decision having been rendered by the magistrate, the matter now reverts to provincial hands because of their responsibility for the administration of justice within the Province of Newfoundland and Labrador. My understanding is that it is up to the Crown Attorneys in that area to act in light of the advice, I suppose, they will supply the Crown.

LOW-LEVEL MILITARY FLIGHTS

Mr. Bill Blaikie (Winnipeg Transcona): This is an opportunity for the federal Government to show leadership. It is obvious that the case has come about as a result of a complaint lodged by the Department of National Defence. It is a Canadian Armed Forces base. It is a Canadian federal policy to have that low-level flight testing there. It is about time the Prime Minister took his responsibility in this matter and answered the questions that I asked him today in the House. Furthermore, we know that the Minister of National Defence is in Brussels at a NATO planning group. Isn't this the opportunity for the Prime Minister to tell that Minister to inform our NATO allies that the deal is off, the low-level flight testing is no longer acceptable in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks me a question with regard to the administration of justice. The implication of the second question is that we should step in and try to order the Attorney General of Newfoundland and Labrador to follow a given course of action. Of course that would be most improper for the administration of justice. With regard to any issues that involve NATO or low-level flights, that is an entirely different matter. It would be resolved in an entirely different forum.

• (1500)

What is being sought, of course, is justice and fairness for the native peoples of Labrador, and economic growth and expansion for the people who need work in Labrador. That is what we are looking for.

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REGISTERED RETIREMENT PENSION PLANS

REQUEST FOR LEGISLATIVE PROTECTION

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

As many Hon. Members are aware, registered savings plan funds which are invested through a life insurance company are essentially removed from any claim or demand by creditors. This is a situation made possible, I understand, by the provisions of the Insurance Act. However, RRSPs which are held or invested otherwise, such as through a trust company, are generally available to satisfy demands of creditors in a bankruptcy or similar situation.

Many Canadians feel that RRSPs are the savings plans of last resort and their security for providing retirement income should not be at risk, irrespective of other financial contingencies which may happen in our lives.

In the reform of laws dealing with bankruptcy, as set out in the Speech from the Throne, will the Minister's Department undertake to consider seriously the merits of removal of RRSP funds as vulnerable assets, much in the same manner as they are protected from creditors under the Insurance Act?

Hon. Bernard Valcourt (Minister of Consumer and Corporate Affairs): Mr. Speaker—

Mr. Boudria: Say yes or no.

Mr. Valcourt: That is about all one could answer.

Mr. Boudria: I did not think that one could answer both.

Mr. Valcourt: Mr. Speaker, I want to thank the Hon. Member for his question. The question he raises is an important one. As the Government indicated in the Speech from the Throne, we will proceed with a reform of the Bankruptcy Act. We know that many previous Governments have attempted to reform the Act without success. Hopefully, in this Parliament, with the co-operation of all Members, we can reform this important law for all Canadians.

The specific issue that the Hon. Member raises is certainly one that we will consider because of its importance.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN GRAIN COMMISSION

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I wish to table, in both official languages, the annual report for 1988 of the Canadian Grain Commission.

Pursuant to Standing Order 67(4), this document is deemed permanently referred to the Standing Committee on Agriculture.

* * *

THE BUDGET

DESIGNATION OF ORDER OF THE DAY

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, pursuant to Standing Order 83(2), I request the designation of an Order of the Day to allow the presentation of a budget speech on Thursday, April 27 next.

I have a second motion which reads as follows:

That, notwithstanding any standing or special order of this House, at 5:00 o'clock p.m. on Thursday, April 27, 1989, the Speaker shall interrupt any proceedings then before the House and proceed forthwith to the consideration of Ways and Means Proceedings No. 1, for the purpose of the budget statement of the Minister of Finance;

That, immediately following such budget statement, the House shall revert to the routine proceeding "Introduction of Government Bills" and, following introduction and first reading of a Bill or Bills, the Speaker shall recognize a member of the Official Opposition in debate on Ways and Means Proceedings No. 1; and

That the House shall not adjourn until the adjournment of the debate on Ways and Means Proceedings No. 1, following which the Speaker shall adjourn the House until the next sitting day.

Finally, Mr. Speaker, I have a third motion which states:

That, on Friday, April 28, 1989, the House shall meet at 11 o'clock a.m., with Statements by Members pursuant to Standing Order 31 at that time, Oral Questions at 11.15 o'clock a.m., until 12 o'clock noon, followed by the Daily Routine of Business;

That, immediately upon the completion of the Daily Routine of Business, the House shall proceed to Government Orders, Ways and Means Proceedings No. 1 (the Budget motion);

That, during the debate on the Budget motion, on that day, there shall be one speaker for the Official Opposition followed by one speaker for the New Democratic Party and, that both speakers will be allowed whatever time is necessary to complete their speeches; and

That, immediately upon the completion of the speech by the New Democratic Party speaker, but in any event not later than 3.30 o'clock p.m., the Speaker shall adjourn the House until Monday, May 1, 1989, at 11 o'clock a.m.

Mr. Speaker: I should point out that with respect to the Minister's motion concerning a designated day, it requires, of course, consent. The other motions of course do not require such consent.

Mr. Angus: Mr. Speaker, I rise reluctantly on a point of order. I understand that my House Leader has had discussions with the Government House Leader and the House Leader for the Liberal Party. Regretfully, we were not given the actual text of the motions in advance, which is the normal procedure. We support the motion since I understand it is consistent with what was agreed to. However, in the future I would ask that the office of the House Leader be given an advance copy as per our understanding.

Mr. Speaker: I thank the Hon. Member for Thunder Bay—Atikokan. I am sure someone would have noticed the import of his intervention.

Mr. Charest: With respect to the point raised by my colleague from the New Democratic Party, it is well taken. I will ensure that the next time an advance copy is delivered to his House Leader, which was not the case this time.

Mr. Speaker: I thank the Hon. Minister.

Does the Hon. Government House Leader have unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

DROUGHT RELIEF

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, in light of the fact that the drought of 1988 is still in a situation in which many things have not occurred, many constituents in my riding are petitioning the Government to ensure that drought relief is given to all townships on all crops in the country. I believe that there has been an administrative nightmare, a lack of administration, and as a result many people in my riding are very concerned.

I present this petition to you, Mr. Speaker, in light of that feeling.

CANADIAN WHEAT BOARD—JURISDICTION RESPECTING OATS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition from several hundred farm families from the southwest of Saskatchewan who note that the federal Government's decision to remove oats from the marketing jurisdiction of the Canadian Wheat Board will reduce severely the income of oat producers in Canada, and place them at the mercy of the grain speculators.

The petitioners call upon the Government of Canada to leave oats under the Wheat Board's jurisdiction. They also call upon Parliament to place the marketing of canola under the jurisdiction of the Wheat Board as well.

• (1510)

VIA RAIL SERVICE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition to this House from citizens of the Prince George, B.C. area, who express their concerns about the continued improvement of VIA Rail service in northern British Columbia.

EXTRADITION OF ACCUSED OR CONVICTED PERSONS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present a petition on behalf of about 400 residents of the Town of Strathroy and the surrounding area who have availed themselves of their ancient right to present their grievance to this House. They are upset about the fact that some persons convicted or accused of murder are not being returned to the United States. This could make this country a haven for such dangerous fugitives and reduce confidence in our system of justice.

These petitioners humbly pray and call upon Parliament to pass and implement laws and procedures to provide immediate extradition of such convicted or accused persons, without recourse to such long delaying tactics.

AMENDMENT TO CANADIAN HUMAN RIGHTS ACT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have the pleasure to present a petition from 52 petitioners of the National Capital Region. The said petition deals with equality rights in Canada.

In March, 1986, this Government accepted a report and its recommendations that the Canadian Human Rights Act be amended to prohibit discrimination. Whereas the Government has yet to introduce legislation, the petitioners call upon the Government of Canada to act and bring forward such amendment to the Canadian Human Rights Act.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I want to take this opportunity to bring to the attention of the Chair in the presence of the Hon. Member for Kingston and the Islands (Mr. Milliken) one of the Notices of Motions for the Production of Papers we have before us today, more specifically, the one identified as P–3, presented on April 7, 1989, on page 13. I noticed this morning, while looking at the Notices of Motions, this one quite clearly is unacceptable to the Government. I think if you were to refer to Beauchesne's Fifth Edition rules, pages 137 and 138, it is quite clear that this Notice of Motion is not acceptable to the Government.

As far as the three other notices are concerned, I would ask that we allow them to stand.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Deputy Government House Leader has indicated citations in support of his position. I am aware of those citations, and I was aware of them when I submitted the motion for consideration to the House. I feel obliged to stand to speak to the matter. I want to indicate very briefly that I had expected the Government would be anxious to provide this information, in light of the circumstances that were raised in my point of order, not only because of the seriousness of the allegation but because of the—

Mr. Charest: Point of order.

Mr. Milliken: I am on a point of order.

Mr. Deputy Speaker: The Deputy Government House Leader.

Mr. Charest: Just to make it very clear, the Hon. Member for Kingston and the Islands has admitted that he produced this Notice of Motion quite clearly knowing that it was not acceptable. The rules in Beauchesne are quite clear. It is also clear, and the Hon. Member has said that he knows the reference in the rules very well, that such Notices of Motions are not amendable, neither are they debatable.

Mr. Milliken: Mr. Speaker, if the Minister could have contained himself he would have been aware that I was not in fact debating the motion. What I was saying was I thought the Government would have been anxious to table the documents in order to not only provide some evidence to back up the position it has taken, but to assist the Chair in dealing with the question of privilege that was raised in this House last week, and which is under consideration at this time by Mr. Speaker.

Mr. Charest: That is a little pretentious.

Mr. Milliken: I thought the Government would be anxious to help. I realize the Deputy Government House Leader thinks that this is pretentious, but I think it is a serious matter. I think he might have given more consideration to it. In light of that, I am prepared to withdraw the notice at this time because I recognize that it may not, and I say may not, be in accordance with the rules.

Mr. Deputy Speaker: Is it agreed that Motion No. P–3 be withdrawn?

Some Hon. Members: Agreed.

Order discharged and motion withdrawn.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved that Bill C–7, an Act to amend the Criminal Code (pari–mutuel betting), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to introduce this afternoon for second reading Bill C–7, which provides for changes in legislation governing pari–mutuel betting in this country. This legislation was introduced in the last Parliament, and it subsequently died on the Order Paper. It was preceded by a a discussion paper which was circulated by Agriculture Canada, which outlined in broad detail the proposal.

This document was circulated in a very broad way for industry and for the public to respond to. I must say that there was broad industry support for this proposal, and indeed very little objection at that particular time. I think it is important that the Bill be proceeded with some degree of urgency. I hope that I have the co–operation and the support of all Hon. Members in seeing that this legislation is passed through in an expeditious fashion.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: As Hon. Members may be aware, the racing industry is suffering some difficulties. Bill C–7 offers a way to support this very important sector of the Canadian economy. I intend to deal with some of the difficulties that the racing industry is facing in Canada.

The proposed changes to Section 204 of the Criminal Code will permit pari–mutuel betting on horse races viewed in theatres, owned or leased by acting associations. Such theatres would have to be licensed by the appropriate provincial authority. The intent of the legislation is to provide the racing industry with a new marketing opportunity. It will help broaden the industry's economic base, which has been shrinking by increased competition from other forms of entertainment and wagering dollars. The jobs that are associated with this industry are very important.

As a result of this legislation not only will jobs be created but jobs will be preserved. Benefits will be gained throughout the country, including the new betting theatre segment. Betting theatres, also known as teletheatres, will create new jobs in cities where horse racing is not otherwise available. The jobs will be associated with the control of telecommunications, pari-mutuel services, and concessions. Service jobs will be created in the food and beverage sector, and facility support services. Horse men will benefit also from the increased purses. The industry will obviously be able to get increased purses to meet their increased costs for track maintenance and horse care. Higher incentives will maintain the scale of racing in Canada. At the same time, many Canadian thoroughbreds and standard breds can race abroad if they are outstanding performers. With increased domestic support, Canadian breeders will be able to produce outside racing stock.

Given these likely benefits, it is appropriate to take a few moments to outline the size and importance of the Canadian horse racing industry.

To begin with, it is a large proportion of the over-all Canadian horse industry. Racing's help, therefore, contributes directly to the over-all industry.

• (1520)

It also contributes to its over-all well-being by spreading the cost of supply of goods and services. The horse industry in Canada generates about $4 billion in economic activity. About 100,000 people are directly employed in the horse industry, 42,000 of them in racing. A further 20,000 people have jobs in services directly related to this industry. These include concessions, sales of feed, tack and other equipment.

Within the racing sector, capital investment is substantial as well. For example, the industry's inventory of all forms of land, equipment and buildings is at least $3.4 billion. Annual capital expenditure is estimated at $380 million.

Another significant factor is that the horse industry's balance of trade favours Canada. Americans wager approximately 20 times as much money at Canadian tracks as Canadians bet in the United States.

As we go through these statistics we recognize that racing is big business in Canada. To some it is a way of life. It is part of a culture, and many people are in it for the love of it.

However, there are some strains and there are some concerns within the industry. It is fair to say, I believe, that from the standpoint of the racing industry it is important to take action now if the industry is going to be strengthened and preserved. We know that the United States has recently introduced betting theatres close to the border, in states such as New York, Pennsylvania, North Dakota and Washington. Furthermore, legislation is also being considered in Michigan and Minnesota.

As I said earlier, we now have a very favourable balance of trade in the United States with this business, but these new theatres south of the border may tip the current positive balance of trade in favour of the United States.

Canadian breeders and owners of standard bred and thoroughbred horses have greater penetration of the U.S. market than the other way around. There are two reasons for this. First, there are more opportunities for competitive racing in the United States and purses are in U.S. dollars, so that returns are obviously higher.

Since 1980, the Canadian racing industry has been under severe economic pressure. The causes are inflation, rising costs and a steep decline in industry income.

Other kinds of entertainment wagering such as lotteries have become a bigger part of Canadian life than they used to be. The returns to horse racing have shrunk as those to lotteries in particular have grown.

In 1987, Canada's provincially controlled lotteries made sales of $3.34 billion. This was an increase of some $700 million or 26 per cent over 1986. The likely reason for the growth is the wide variety of games available and because tickets are available at more than 34,000 locations across the country.

Competition is likely to become even more fierce in the future. Some provinces, such as Manitoba, Saskatchewan, Alberta and British Columbia, have already legalized some casino-type gambling. Others are likely to follow suit. These and similar forms of entertainment wagering will further increase the pressure on horse racing and its jobs as time passes by.

As an example of what is happening, we can look at Saskatchewan's recent experience. In 1987, more than $213 million went to casinos, bingo and other games of chance and lotteries took in over $93 million. Pari-mutuel betting, on the other hand, brought in only $12.5 million. Although final figures are not complete for 1988, this trend is continuing.

Other levels of Government have given the industry some support. Every province, for example, applies a tax on pari-mutuel betting. During the past five years, provincial Governments have set up programs to rebate a part of their revenues directly to the tracks and horsemen.

These funds have been transferred in such ways as to provide for purses for breeder stake races, for equipment and capital, for improvement programs, assistance on overnight purses and advertising programs. As you can appreciate, these programs vary from one province to another, but considering the scale of the assistance it is not likely that further support from provincial sources will be possible.

Over the years, the House has also broadened its legislation to provide the industry with the means to promote growth and competitiveness.

For example, we supported such initiatives as intertrack betting, separate pool betting, foreign race separate pool betting, telephone account betting and additional exotic pools. All of these have served to increase the marketability of entertainment wagering on horse races, so they have all been helpful and of some use to the industry.

During 1988, intertrack betting was conducted at eight tracks. Some $146.7 million was wagered. That is an increase of almost 13 per cent over 1987.

Separate pool betting was available at another 19 tracks and attracted wagers of $21 million.

Foreign race separate pools were set up at 18 tracks across the country and attracted $10.4 million in bets on races originating at U.S. tracks. Six tracks offered telephone account betting resulting in more than $28 million wagered, which is a 20 per cent increase over 1987.

These means of betting continue to be of help. Raising association commissions on these additional amounts have helped them in meeting their continuously rising operating costs and have added to the horsemen's purses.

Much has been done, but more needs to be done. As the proposed theatre betting legislation will be implemented, again horsemen will be guaranteed through ensuing regulations a negotiated partnership with racing associations for the scheduling of races for intertrack, separate pool and theatre betting. They will also negotiate cost and revenue sharing.

Track commission rates have been adjusted to help cope with the cost squeeze caused by inflation. In 1982, the track commission rate was increased to a maximum of 15 per cent, although larger tracks were authorized at a lower rate. The allowable commission rate was again increased in 1984, and by 1985, the maximum rate was set at a flat 18 per cent. With the exception of a few large tracks, most racing associations are now operating at the 18 per cent commission level.

These adjustments mean that there is no leeway for future commission increases to meet any further rise in costs. The combined take-out by the tracks, provincial Governments and the federal operations levy has reached its probable upper limit. In other words, even a small increase in the take-out is likely to have a very negative impact on total amounts wagered.

Government has already given what support it can. On the market side, however, there are still opportunities to serve existing patrons in an improved fashion.

The intent of the legislation is to permit racing associations to bring their sport to patrons at locations other than racetracks. Teletheatres will allow the industry to take horse racing entertainment to cities where there are no tracks. Another application could see races transmitted live to teletheatres in densely populated areas even in close proximity to a track.

The teletheatre concept has been tested successfully in the United States. Teletheatres offer a potential for growth by catering to infrequent race-goers and some new fans. They increase customer convenience, offer the more pleasant surroundings of a theatre environment and increase the ability of the industry to compete head-to-head with other forms of entertainment in the theatre's immediate marketing area. Recent U.S. surveys have revealed who teletheatre patrons are. Half, we are told, have been to a race track one to five times within the previous 12 months. Thirty per cent have not been to a track in the previous year and one in 10 is a person who has never been to a race track.

• (1530)

The figures support several conclusions. Teletheatres will encourage the return of infrequent racegoers. They will cater to regular race patrons and they will assist the industry in attracting new fans. The U.S. experience has been very favourable. The Canadian industry believes it can administer betting theatres at least as well as U.S. operators and all segments of the industry support the initiative.

From the standpoint of the provinces, provincial interests are protected by the requirement that each theatre location be licensed by the provincial Lieutenant Governor before the federal Government will issue a teletheatre parimutuel betting licence. This is in recognition of the provincial responsibilities for horseracing. Furthermore, no association will be allowed to conduct theatre betting within its federally assigned market area unless it has reached an agreement with the horsemen to share the costs and revenues of theatre betting. As well, the two parties must agree on the scheduling of races at betting theatres.

More particularly for the future, I want to assure Hon. Members that the teletheatre concept will not evolve into on-street betting shops. Such establishments are not desired by either the Government or the industry. Rather, teletheatres will be required to have such minimum facilities as seating, food and beverage concessions, restraint in betting activity and, of course, live video coverage of races. In other words, teletheatres will be extensions of race tracks rather than replacements for them, and I think that is important to bear in mind.

The horseracing industry is labour intensive. It employs many skilled and unskilled workers, many of them in rural areas. As I said earlier, there is a commitment to this industry by many people and a love for the industry on the part of those who are involved in it. To them, it is more than simply a job. These jobs would be extremely difficult to replace if ever lost. As I said earlier, we are not only providing the potential for the creation of new jobs but we are in fact ensuring the preservation of existing jobs. We believe that the creation of teletheatres will protect these existing jobs as well as create new employment within the industry.

For these reasons, I would hope that we can garner the support and co-operation of all Hon. Members, particularly Hon. Members opposite, to give favourable and expeditious consideration to the legislation before us. I believe the House should act on the opportunity to assist a very important sector of the Canadian economy, an opportunity which is being provided at no expense to the public.

As I said earlier, we are not only preserving an industry but indeed promoting it. We are helping it along and providing the assurance that jobs will be maintained and created. As well, in strengthening this industry, we are in fact preserving a bit of Canadian culture, something that is quite fundamental to Canadian life. I would hope that I can call upon the goodwill and support of all Hon. Members in moving this legislation forward.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to join in this afternoon's debate on Bill C-7 which provides for amendments to the Criminal Code with regard to pari-mutuel betting. At the outset, I suggest to the Minister of Agriculture (Mr. Mazankowski) that since the agriculture committee is to be organized later this afternoon or this evening, we might by unanimous consent consider referring the Bill to the agriculture committee rather than to a legislative committee in the hope that it might more expeditiously handle the Bill.

Bill C-7 does two things. It amends Section 204(2) of the Criminal Code and Section 204(8) of the Criminal Code and provides that pari-mutuel bets can be placed in a teletheatre as well as by telephone, as is allowed at the present time. That is the amendment to Section 204(2).

The amendment to Section 204(8) provides for the Governor in Council and the Lieutenant Governor to authorize the making of regulations by the Minister of Agriculture at the federal level and provides for the Lieutenant Governor in Council and such other persons or authority in the province as may be specified by the Lieutenant Governor in Council to issue licenses for the associations. At the technical level, those are the two amendments provided for by Bill C-7.

The impact of this legislation on the racing industry will go very far. The impact will be very important, particularly for the remote areas of Canada which do not have the population base to successfully operate race tracks on a long-term basis.

I am thinking particularly of the situation with Sudbury Downs in northern Ontario. The track has been closed, though I understand arrangements have now been made to have a racing season this fall and to have a simulcast racing operation this summer. That situation is typical of the difficulties that are faced in a number of areas of Canada, areas that simply do not have a large enough population base to support a race track.

Under this legislation, the Sudbury race track could perhaps establish teletheatre operations in the other four large cities of northern Ontario, Sault St. Marie, Thunder Bay, Timmins and North Bay. Perhaps such operations could be established in smaller communities such as Elliot Lake, communities which would be large enough to justify the establishment of such a facility. That is generally considered to be one of the most important aspects of the Bill. It will provide assistance to these tracks which are having financial difficulties. However, the Bill goes beyond that. It will help not only remote tracks like Sudbury Downs. I am not sure that if the Hon. Member for Sudbury (Mrs. Marleau), were here, she would want me to talk about the Sudbury track as being remote. However, Sudbury does not have a large enough population base to make the track operate on a financially viable basis at this time. Adding to it the population of all the other large cities in northern Ontario could be very helpful in making it a viable operation.

As I understand the legislation, smaller local race track associations throughout Ontario and perhaps in other provinces as well will be able to operate teletheatres. Places like Kingston, Belleville and other communities which do have very short racing seasons will be able to operate teletheatres throughout the season. Perhaps it will make the race tracks more viable by providing a longer racing season and will also provide more revenue, not only to the track but to the horsemen. However, if a signal from one of the larger tracks in Toronto is being received by racing associations in other communities, the percentage of benefit to local horsemen and local tracks will be cut in two because it will have to be divided with the originating track as well.

• (1540)

In 1985, legislation was passed with respect to inter-track betting. That has been an existing situation where there has been a track meet and a betting situation. To have it operate in other seasons has not been permitted, as far as I understand from the legislation. There is a general upgrading and improvement in the benefits. A person may ask why, if the industry was viable a few years ago, it is not now. The problem is that this industry is a form of entertainment. It is competing with many other forms of entertainment. I looked at a report or an over-view conducted by Woods Gordon in 1985 on the economic impact of horse racing in Canada. This report is slightly dated, however I believe the impact and the percentages would be very similar.

The report suggests that in 1983 the expenditures on horse racing were approximately $31 per annum, per family, I assume. By comparison, for government-operated lotteries it was $138 per year. At that time other raffles got $32 per year. The report also lists other entertainment activities, such as live arts performances, movies, and professional sports.

The actual penetration and the escalation in costs for horse racing have pulled away the profits from this industry in areas with a smaller population, such as Sudbury Downs and other smaller areas across the country. I believe that the legislation will benefit those operations.

The Minister mentioned the 100,000 jobs involved in the horse racing industry. At least in the smaller areas, the vast majority of those jobs are not on the track but are on the farms that provide raising and breeding areas, and the production of feed and hay. It is a broad-based industry in terms of providing employment, and a very important industry in that regard.

The Minister also made reference to a booklet published in 1987 regarding teletheatre wagering and the consultation that has taken place. Many of the racing commissions have expressed concern about the legislation. Generally speaking, in the past the federal Government has had the responsibility for pari-mutuel betting. However, the general operation of tracks is carried out by provincial Governments or provincial racing commissions. Some provinces see this as diminishing their authority to oversee and manage the whole horse racing industry. Concerns have been expressed by the owners and breeders that they should have an important role. I am sure that in committee stage there will be an opportunity to explore those concerns.

As I understand the proposed regulations, there will have to be an acceptable agreement between the horsemen and the track. This agreement will have to be acceptable to the federal Government, to the horse racing section of the Department of Agriculture. To some extent that should allay those fears and concerns. However, many of the provincial regulatory bodies still feel that their over-all control will be diminished by the legislation.

The federal Government will set out the home market area in which teletheatres can operate. Beyond that, the provincial regulatory body will have some jurisdiction, but not with regard to setting the home market area. Regulations will be enforced by the provincial Government. However, it will not make those regulations and it will not necessarily have input into them, although it probably will have some input since it controls the agencies and the regulatory body. Provincial agencies have expressed the concern that there will be no provision for a competitive process for the operation of the teletheatres.

Those are the concerns expressed by some provincial Governments. I hope we will have an opportunity to hear them at close range when the Bill is considered by the Standing Committee or the legislative committee, whichever it goes to.

In the second part of the proposed Bill it authorizes the Minister of Agriculture (Mr. Mazankowski) to make regulations which will define teletheatre betting, teletheatre licensing, and the theatre market area. The regulations will allow for ownership or leasing of theatre facilities by a racing association. Under the regulation there will be provision to prevent a teletheatre from becoming a betting shop, and certain criteria and standards must be met. That is very important, otherwise it could deteriorate solely into a betting theatre.

In some states in the United States it is like cable television. The teletheatres can become as important as the race track. It is very important that there be co-operation between the two levels of Government to ensure that the teletheatre is not wagging the race tracks, and that there is good co-operation between the two levels of Government in that regard. The regulations also provide that there be an agreement between the horsemen and the track whenever a teletheatre operation is established.

Those are some of the regulations that I am told will be brought into play when the legislation is adopted by the Government and the Department is able to put in place those regulations. Those are the main points that I wished to raise. There is concern from the provincial regulatory agencies that they be addressed in the committee hearings. They have the over-all responsibility for enforcing the operation of the race tracks in their provinces.

• (1550)

This legislation can be beneficial to the racing industry to extend its approach across the country in an expanded market area, providing entertainment and ensuring that horse racing continues, not only so that jobs are provided but that entertainment is provided. We have to assume that betting will take place, whether it is buying a Wintario ticket or by going to the Saturday night bingo. It is important that if we are to have betting that it should be on a controlled basis where there is some benefit to Government. In fact, most benefits in horse racing go back to the patrons and the tracks. Provincial Governments do very well out of the whole arrangement. My understanding is that the federal Government barely breaks even. Its operation is to ensure the reliability and the policing of pari-mutuel betting. Most of the tax benefits go to the provincial Governments. In any event, it is a vital industry. There are 100,000 jobs in the horse racing industry which encompass farming operations, breeding operations and the livestock industry which supports and encourages it. If you compare the horse racing industry with a number of other major industries in Canada, a very large number of people are involved.

I hope we can devise a Bill that will protect the rights of society and that we do not descend to a situation of uncontrolled gambling shops but provide a high-quality pari-mutuel teletheatre arrangement which will be beneficial to the industry without any adverse effect on the community at large.

We want to see this legislation go to committee where it can be given more detailed study. From the briefing that a couple of us in our caucus had, it is obviously quite a complicated industry even though the amendments before us today are quite simple in themselves. We want to see this Bill move on to committee stage.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I appreciate the Hon. Member's comments and his obvious support for the Bill. In light of the support and the fact that this measure has been around since 1987 in at least a proposed form, would he consider moving the Bill through all stages today?

Mr. Foster: Mr. Speaker, we believe that generally the Bill is beneficial but it is a measure that has never been debated before. There have been concerns expressed by some provincial agencies. We want to see the legislation dealt with expeditiously but we prefer to see that done in the committee, as proposed before the House today.

Mr. Mazankowski: Mr. Speaker, just a further point of order. This Bill would normally go to a legislative committee but the offer was made by the Hon. Member for Algoma (Mr. Foster) that it go to the Agriculture Committee. If it is the intention of the Opposition to have the Bill dealt with in committee, I would certainly support the suggestion of sending it to the Standing Committee on Agriculture. If there is agreement from the New Democratic Party and the Liberals, perhaps we could make that agreement right here.

Mr. Althouse: Mr. Speaker, on the point of order, our Party would be quite willing to send the matter to the Standing Committee on Agriculture rather than to the legislative committee.

Mr. Rodriguez: Mr. Speaker, I wrote to the Deputy Prime Minister (Mr. Mazankowski) because of the concern we in the Sudbury Basin had about the closing of Sudbury Downs. The owners of that track have long requested and supported teletheatre betting. In fact, horsemen who operate at the track and the owners of the track negotiated the collective agreement which provided for 50 per cent of the revenues from teletheatre betting to go to them in increased purses. I want to let the Deputy Prime Minister know that if we on this side had received the support of the Liberal Party, we would have liked to see the Bill go through all stages. It is long overdue and it will really help northern Ontario which has the one standard bred track, a B track, in Sudbury which has a very small population. This Bill would put racing entertainment into all corners of northern Ontario.

Mr. Mazankowski: Mr. Speaker, in light of that very convincing support, maybe the Hon. Member from Algoma and his Party may want to reconsider. I always find the Hon. Member for Nickel Belt (Mr. Rodriguez) very persuasive, very articulate and very emotional when he has to be. Today he made his point in a very clear and coherent fashion without any emotion. I appreciate his support. I think he has hit the nail right on the head. It is important that this matter be moved very quickly.

Mr. Gauthier: Mr. Speaker, I have been following this conversation with interest.

I take it the Government is now proposing that the order on second reading be changed and that the Bill be referred to the Agriculture Committee. With that I agree. I have no difficulties that debate continue and when debate on second reading is terminated the Bill can go to that committee.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise on second reading debate on Bill C–7, to amend the Criminal Code with regard to parimutuel betting at race tracks. This is one of the items that reinforces the variety of the agriculture critic. This Bill comes under the aegis of the Department of Agriculture because of its role in monitoring race tracks, the way animals are treated, testing for doping and so on. RCMP officers are used at the tracks to provide the legal overview. I understand those members of the RCMP are temporarily paid by the Department of Agriculture so they too become members of the vast Department of Agriculture for the period of time they are thus engaged.

Horse racing in Canada, as we all know, has been a longstanding form of entertainment for people. It is something that we brought from our European and Asian roots as well as from our North American roots. Regardless of our ethnic background, horse racing has been very much a part of our culture. It has continued to be the case in Canada from the days when furlong races occurred between the cross–roads of Ontario and Quebec farms because the survey system was measured in furlongs. Many races are still held on a furlong and a fraction basis. That tradition remains with us.

• (1600)

The racing industry has been used as a means of developing competition, both as to who can develop the best training techniques, who can produce the fastest horses and who can provide that last little technical advice at the jockey level to produce a winner by a nose instead of a loser by half a length.

So it is something that we have grown up with, that we are interested in maintaining. It still attracts the attention of a great many Canadians. It is still one of the largest spectator sports in this country because of its entertainment value. But because it has developed as an industry, as often happens when you are attempting to develop something that is faster and better than somebody else, there is the element of competition that makes it a business. Part of the financing of that business has always been the sale of breeding stock, with the owners and producers of the very fastest horses getting a premium price for the seed stock that they have raised and produced.

Over time most cultures have developed a tradition of having little wagers as to which horse is going to be the fastest, just as often happens with any competition. This has probably been more prevalent in horse racing than in many other sports. Horse racing has probably taken wagering to greater heights than a lot of other sports in that it has always attempted to keep the wagering above board and legal.

As we all know, some of the small country tracks do not permit pari-mutuel betting. The wagering still goes on for nickels and dimes and sometimes fairly large paper money, but it is always done between individuals or small groups of individuals to add to the spice of each particular race.

A few years ago, the Government introduced changes to the pari-mutuel betting Bill which would permit the use of the teletheatre as a means of extending the racing season and making it possible for people to observe races outside the country and to place bets in those teletheatres. For those for whom the betting is very important, this permits them to be involved a little more in races such as the Kentucky Derby, some of the big stake breeders' cup races, the Breeders' Crown, and the standard bred side.

Of the 18 tracks that permit betting on foreign races, last year $10.4 million was bet on foreign races which was a 34.4 per cent increase over 1987. That aspect of the tele-betting is just beginning to start. People are just beginning to remember that there are tele-betting shops for foreign racing and are beginning to take advantage of it. The implication to the racing industry of the expansion of the types of betting possible is such that it means larger amounts of money for the racehorse owners who do share in the revenue from the betting, both in tele-betting and in regular betting at the tracks. So this permits them to eventually have larger purses, and in fact that seems to be happening to some extent. We note that last year the gross purses available under the licensed tracks in Canada went up from $159 million or thereabouts in 1987 to $178 million in 1988, an increase of almost 12 per cent.

So it has increased the revenue to the racing industry and permits more purses and larger purses so that the owners of the race horses can have more funds available to them for expansion of their industry. This industry has very few other places to go. As I say, it is very large in the entertainment field in terms of attracting a lot of spectators. In this day and age about the only expansion that they can make is to big screen television.

They have done a reasonably good job of getting horse racing included in our national sporting events. Though, to be fair, CBC, CTV, the national networks only carry a very few races in the course of their sports broadcasting during a year. They carry the Queen's Plate, the Kentucky Derby and only a few other races on an annual basis. It is not attracting the attention of the television networks that *Hockey Night in Canada* does, or some of those kinds of television spectaculars. As a result, the opportunity for the racing fraternity to get into commercialization or the advertising that might accrue from more televised broadcasting of their races, has been more or less cut off from them. So they have retaliated and responded by making proposals to extend the season for particular race tracks by going to television betting, so that people can go out to the track, have a meal or a drink, do some visiting and place bets right through to the last races in the season.

We are told that this gives opportunities for tracks, particularly in the more sparsely-settled parts of the country, to extend the season. For instance, in my area the racing season could begin at Lloydminster with television showing in Saskatoon and Regina. Followers of the races could begin by following the season on television in Saskatoon and Regina, watch the races in Lloydminster and, as the horse owners shift into Saskatoon and end up in Regina, the televised section could go back to the cities that no longer have the live races. This could extend the betting season for the general public. It gives an opportunity for increased revenues for the participants and horse owners.

This is an era when some parts of the country are having difficulty maintaining economic viability. You only have to go through the racing figures to see that those provinces that are having the most economic pressure are having it reflected in the take at the tracks. For instance, Saskatchewan, New Brunswick, Manitoba and British Columbia have been under some economic pressure. It is no surprise that the amount of betting being done at tracks in those provinces went down slightly last year, reflecting that. So there has been economic pressure put on the racing industry from competition, from the general downturn in the economy for some of them and competition for leisure dollars which race track owners are hoping to be able to offset with the move into more televised betting and the use of the telephone into those betting stations.

• (1610)

For those who look at racing from the point of view of gambling dollars, there is more competition with the increase in casinos and bingos across the country. The money being spent at those options are increasing in most of the provinces. Thus, pari-mutuel betting is up against that type of direct competition. That competition probably draws a slightly different kind of crowd in that most people who have been involved in race track pari-mutuel betting like to see the horses and like to see the race. They like to be there or at least close enough to see it on a big screen. It is a little different from watching cards. Some people have to see the horse, which is the main kick.

This is permissive legislation which requires the acceptance of each of the provinces and their respective racing commissions. We are hopeful that the legislation will recognize that to the point that each province will be cognizant of it and form their own policy groups, probably made up of their own racing commissions, representatives of Agriculture Canada, the race tracks or the race track owners in the particular province and the provincial horsemen's associations which are racing at those tracks. It would be much simpler all round if these four groups were involved right from the beginning in setting the policy for each province. However, I am not sure that this point has to be stated in the legislation. We understand that some of the groups may want to put that point forward as the legislation goes to committee.

There have been a few concerns expressed in this regard. However, the reception from the horse racing community has been positive. Those involved in it have been under considerable pressure in some parts of the country as a result of the general economic downturn. Some of them have felt the pressure from Revenue Canada with changes in the interpretation of who is a farmer and who is not. That is something important to the over-all health of the racing industry since the smaller race horse operators are very much a necessity in terms of keeping the industry alive. They have to be able to increase and improve the breed. They also have an important role to play. It is not a question of the top breeders who have to be maintained. We also have to maintain the balance of the system. It has to be kept in relative good health, otherwise moderate to good horses have no other place to go.

Without the small operators and the small tracks the industry could not survive. It is a question of general genetics and so on that only a few of the top horses ever actually make it into the top sales and record books. For that reason we are supportive of this initiative. We will be supportive of it as it leaves the House in the form of legislation. We hope the initiative will strengthen the industry both by lengthening the season through the use of telephone and television and that it is successful in its attempt to increase revenues at the farm level where the horse owners need it.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am very pleased to be able to take part in this debate today. I want to say that I am further pleased that there has been all-Party agreement that the Bill should go to the Agriculture Committee of the House of Commons as soon as possible.

First, I want to say that the Canadian horse industry and the racing industry is perhaps one of the best regulated industries of any country in the world. It has gained reputation for its excellence, not only for the horses but for the horsemen we have in Canada. Horse racing has always been referred to as the sport of kings. It is also the poor man's sport. I well recall the first year I went to high school. I rode a horse in those early years, a horse that was not broken until it was seven years old. We had a lot of exciting times en route.

I am also extremely interested in the Bill since over the last week or two I have discussed it with some of my neighbours, some of whom are involved in the industry, people such as Bernie Geerts, the Warners, Dr. Chris Deuzeman, Cecil Maddock and, last but not least, the Campbell family. I refer here to Ray Campbell and his son Rob, but more particularly to Duncan Campbell of Ailsa Craig who was inducted into the Canadian Horseman's Hall of Fame on January 21, 1983. Duncan Campbell is 89 years old and still owns a race horse.

This remarkable family, headed by Duncan, along with his two sons Ray and Jack, still race and train race horses. Grandson Jim is an excellent trainer and grandsons Rob and John are drivers. John Campbell of Ailsa Craig is one of the leading drivers in North America to date this year. He was the leading driver in North America for the last three out of four years. I am proud to reflect on the exploits and the tradition of excellence displayed by the Campbell family.

I support the principle of the Bill. However, there are some areas of concern which I believe will be resolved when it is referred to committee. The first area of concern, and perhaps the most important, is one on which I will dwell for only a few moments. It is the indication that the Minister will decide the market area. I, for one, would like to have a very clear understanding of how this decision will be made and what will be taken into consideration as the basis for it. I refer here to the example in southwestern Ontario where we have race tracks at London, Hiawatha at Sarnia, Windsor and at Dresden mid-way between Sarnia and Windsor. Dresden Raceway runs about 24 race dates per year. It is not the typical city track that we see outside Toronto, or at Flamboro', Fort Erie or Woodbine. This track is in a rural area originally established to coincide with the fall fair.

It is the type of track that does not have a fancy dining lounge. However, there is a series of excellent restaurants in the community and surrounding communities. Its clientele is quite unusual and there is an atmosphere of neighbour meeting neighbour. It is an atmosphere of "We'll see you at the races". It is a picnic-type atmosphere which means so much to the area. It is noted for its good racing and its Sire Stakes.

As we put this Bill into legislation, it is important that we look to see the impact it may have on an operation such as this one, which is surrounded by three much larger cities. If the teletheatre is introduced we will see how it will impact on this track. Will there be opportunities there for the people who attend the races and for the horsemen who race there to have their share of the action so that they will not be elbowed out by larger places?

I have had very positive comments about the test markets at Hiawatha at Sarnia where last winter there was a test that was successful. However, it was not as successful as it could have been due to cut-backs in staffing at the Blue Water Bridge into Michigan. There were long line-ups in traffic. As a result, about 70 per cent of the clientele came from the Ontario side while only 30 per cent was from Michigan. It was really not an accurate test. Although it was not accurate, I believe it will become a positive feature of that track, in particular for the older people who want to attend a race and to see a horse running. In Toronto, people who may own or have an interest in a horse can simply go to the Hiawatha track, to London or Dresden and in the teletheatres watch their horses race. I want to make sure that this is clearly spelled out either in the legislation or in the regulations. I would be most interested to see draft regulation as to how this area will be dealt with.

• (1620)

Another area I want to examine for a little while in committee also—and the Minister made mention of it in his address—is that this is not an off-track betting shop concept. I want to look at it to make sure that it will have a positive impact on the industry. In this context I would like to relate to the impact of such betting shops in the State of Massachusetts which destroyed the industry. We want to make sure that does not happen here in Canada.

I would suggest that we should look at what has happened to the race tracks of Foxboro and Yonkers in Massachusetts through the introduction of the betting shop concept. I do not want to spend much time on this, but I just want to reiterate that the Canadian racing industry is one of the best in the world.

I agree in principle with the intent of the Bill. I will want to examine further the proposed regulations and the areas to be regulated to ensure the continuing viability of this industry.

With those few brief remarks, Mr. Speaker, I will look forward to studying this matter in committee.

Mr. Bob Horner (Mississauga West): Mr. Speaker, it is a great pleasure for me to rise today to make a few remarks in this debate on Bill C-7. I want to say at the outset that I am solidly in support of this piece of legislation.

My riding of Mississauga West will probably never have theatre betting because some 25 miles in one direction we have the Greenwood race track, some 15 miles in another direction we have Woodbine race track, some 30 miles in another direction we have Mohawk, and 80 miles in another direction we have Fort Erie race track. They are not going to set up a theatre betting shop in my riding and take patrons away from the race track who normally attend.

This Bill is designed to help tracks that are in trouble. I have spoken to tracks right across Canada. Tracks in Québec want this legislation. Sudbury Downs is closed today and cannot open until this legislation goes through. Manitoba wants it very badly. Assiniboia Downs in Manitoba is in a lot of trouble. Managers and owners of tracks in British Columbia have come to see me and have requested that we put through this Bill.

What we are talking about here today are jobs and a very fine industry. I know of what I speak, because from 1964 to 1971 I was a veterinarian at race tracks in Ontario. It is a very well run industry. It employs about 100,000 people who would have difficulty finding employment somewhere else. They have grown up in the racing industry. It is a family. I was very shocked to hear the Hon. Member for Algoma (Mr. Foster) state that he wanted the provinces to have a say in this regard. The provinces have every say in it.

The amendments before the House recognize the responsibilities and the interest of the provinces. No theatre could operate without first being granted a licence by the province. I really do not see what the problem is. I commend the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Mackenzie (Mr. Althouse) for their insight in wanting to see this Bill go through all stages today. It is a very important Bill. It is connected very closely to agriculture.

Some great race horses have been produced in Canada, not the least of which was Northern Dancer in 1964, one of the finest race horses this world has ever known. It is nice to hear about the great racing families. There are great racing families all over the country, not only in Lambton—Middlesex. There are the Waples and Sandy Hawley who came out of Whitby and has gone on to be a riding champion in the United States.

We know that we have a small amount of illegal bookmaking on sporting events and race tracks. The police are doing everything they can to control it. There is only a small amount of bookmaking, but the Bill will assist in cutting down on the amount of bookmaking. It will make races available to people who do not have them.

I am thinking of Sudbury Downs. What is to stop having the races shown by satellite in a nice theatre not only in Sault Ste. Marie, Ontario but in Sault Ste. Marie, Michigan. This money could go back to the horsemen, keep the industry alive and keep the purses up.

What has happened in the racing industry is that it costs $50 a day to keep a horse at the race track and pay a trainer. It was once known as the sport of kings, and we all know that the Royal Family is still interested. However, today it is the sport of the common man. In my riding we have fire-fighters who own race horses. Many people form syndicates; three or four people get together and buy a race horse. There is nothing more thrilling than to see your colours come across the finish line.

I would love to see this Bill go through all stages today. The province is protected in every way possible. The province will issue the licence. We know that there is competition for the betting dollar from bingos and from lotteries. Something like 38,000 stores are selling lottery tickets, pushing all kinds of lottery tickets. We are talking about the viability of an industry, an industry that has a good image and a lot of integrity.

Let us talk about the betting dollar for a moment. Canadians in 107 race tracks across Canada last year bet $1.7 billion. The federal Government gets a bit of that, three-quarters of 1 per cent, which is just enough to support what it does for the racing industry. We control the pari-mutuel wagering. We control the photo finish cameras and the big contracts which go out to Mendelssohn Films and others. We also control the drug testing. It is very sophisticated drug testing. They can tell us within hours when a horse was given something. I have been in these testing labs at Can Test and Man Test. They can tell us what a horse is being fed. If a horse gets linseed oil to help his coat, they can tell us. They can tell us everything a horse has been given and when it was given.

The integrity of this sport is really great. All around the tracks they have patrol judges who watch the races. They make sure that there is no cheating of any kind. The racing industry is a sport with a lot of integrity and a lot of people really enjoy it.

I was interested in the comments of the Hon. Member for Mackenzie on the traditions. I am sure he and I remember in the winter-time when cars did not run on country roads. Everyone had a driver and farmers used to race to town to get their groceries.

The provincial Governments get approximately 10 per cent of every dollar that is bet, that is, a $170 million are going into the tax coffers.

This is a very important Bill. It is a very tiny little Bill, some page and a quarter. It is an amendment to the Criminal Code.

• (1630)

If we cannot get all-Party agreement to put the Bill through all stages today, I recommend that we go immediately to the Standing Committee on Agriculture where, with a few witnesses, we can ascertain that it is absolutely necessary for the viability of the racing industry. I thank you for allowing me to make those remarks, Mr. Speaker.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I just heard the Hon. Member for Mississauga West (Mr. Horner) refer to horse racing as the sport of kings. I suppose Members are wondering why a socialist would be speaking in support of this Bill. In fact, I feel some connection to the race track. Politicians have been called all parts of the anatomy of a horse, so I feel comfortable speaking to this Bill.

As a matter of fact, I remember a story about a chap who was at the race track. He was in line at the $50 win ticket window. The fellow ahead of him in line asked for a $50 ticket on number two to win. The fellow standing behind him tapped him on the shoulder and said: "Number two won't win". The fellow said: "Is that right?" and turned around to the ticket seller and said: "Give me another $50 ticket on number two to win". The guy behind him tapped him on the shoulder again and said: "I know that you bet on number two but I suggest that you don't". The other chap said: "Okay, give me another $50 on number two to win".

Finally, the fellow was so frustrated that he took him out of the line and said: "Look, there are six horses in this race. I told you that number two cannot win". The other fellow said: "How do you know number two cannot win?" And the other guy said: "I own number two". The other fellow said: "Well, it will be one slow race because I own the other five".

I know the common conception that is held by those who have no appreciation of the sport. Let us consider the contribution racing has given to this country. We have heard about the contribution in terms of the taxes that are collected. Over $100 million in taxes is collected in Ontario. Look at its contribution to pride in Canada, with Northern Dancer, the greatest stud there ever was.

Let us consider the contribution made by the jockeys like Sandy Hawley and Michel Lachance. Look at the contribution we made to track and field in Canada. All the veterinarians here will know what I am talking about.

I am supporting this Bill because we have a race track in the Sudbury area called Sudbury Downs. The population in the Sudbury basin is some 160,000. We do not have millions of people like there are in Mississauga West. We have a small population and the track must increase its revenues. If there are not enough people to come to the race track we must take racing to the population centres in northern Ontario.

That is what this Bill will provide. It would allow J. C. MacIsaac to show through satellite his racing in theatres in Thunder Bay, Sault Ste. Marie, Timmins, North Bay and any other community.

The track has not opened. There are some 300 people, including the grooms, the trainers and the drivers, who depend directly on the track for employment, as well as the farmers, the breeders and all the students who work part time when the track is operating.

Mr. Mayer: The people who supply the oats.

Mr. Rodriguez: The suppliers of feed for the horses.

It is important to the community. The track pays $176,000 in municipal taxes to the community in which it is located. If the track is closed it cannot pay any municipal taxes.

While I do not see this activity as a major thrust toward tourism for creating challenging and interesting jobs, it is a priority for the region. Racing is a jewel in that presentation of tourism. It is another form of entertainment to attract tourists into the Sudbury basin.

I totally support the Bill. It has been long overdue. The horsemen at the track have already negotiated a contract with the Sudbury Downs whereby 50 per cent of the take from teletheatre betting would reflect itself in higher purses. Sudbury Downs needs to offer higher purses so it can attract more horses and provide more competitive racing that would result in greater attendance and greater revenues through the betting windows. I see this Bill as the saviour of Sudbury Downs.

The Bill states that the Minister will define the racing area for the track. Surely it will not be done unilaterally. Surely it will be done in consultation with the various racing commissions across the country. One has to assume that common sense will prevail because no one wants to kill the goose that lays the golden egg. I am quite sure that when the regions or areas for the teletheatres are established they will take into consideration where the track is located and what areas racing should be shown.

This is the shortest speech I have made. It is because I recognize the importance of getting the Bill through very quickly. I would have preferred to see it go through all stages, as I proposed, but I have to settle for second best. Sometimes one bets to win, but one has to cover one's bets by betting to place and sometimes to show. I will accept the Bill going to the Agriculture Committee. Hopefully we can expedite it back here and have it passed, because Sudbury needs the Bill.

Let me say to the owners of the track in Sudbury that if they read this debate they will see that there is a commitment on the part of all Parties to support the principle of the Bill. All the Parties are prepared to work to get the Bill through the House.

The owners have an assurance that this Bill will be passed, and now I hope they will not delay any longer but will make provisions to open the track so that those trainers and drivers who are waiting on the grounds for this decision can begin getting some income from their labour.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is indeed an honour to stand here today and agree with my friend from the right and my friend from the left. I am sure it is fairly unusual. As the Hon. Member for Sudbury, I wholeheartedly support the Bill. I certainly would like to see it passed as quickly as possible.

The Hon. Member for Mississauga West (Mr. Horner) stated that this is a sport of kings. I have known people interested in this sport. Even some Members of Parliament own horses and are very interested in the sport. There are those as well who benefit from the sport such as veterinarians, and I believe that the Hon. Member to my right is one of them. A member of my own caucus is a member of that same profession, and they certainly benefit from the sport. All kinds of people enjoy the benefits of horse racing, particularly horse owners and track owners. The people who attend race tracks, if they can take away a few winnings, enjoy it. It certainly provides for a very enjoyable evening.

• (1640)

It was with great sadness that I heard earlier this year that Sudbury Downs was not planning to reopen its doors. Today I am told that because this Bill has been tabled and there is hope that it will move forward quickly, it will reopen its doors this year. Everyone in Sudbury is very happy about that. It means the preservation of a number of jobs. We in Sudbury and area all appreciate jobs, believe me.

I would like to correct one Hon. Member. The Hon. Member to my left said that the Sudbury area has a small population. Small is only small in terms of how it is qualified. I always resent people telling me that I come from a small population base when that population base is 150,000. It is nice to tell people that it really is not that small. When it is compared to a population base in the millions such as that of southern Ontario, I suppose it is small.

I do take some offence to being told that Sudbury is remote. The Hon. Member for Algoma (Mr. Foster) realizes that even though we live in northern Ontario, we do not consider it to be remote. I invite everyone to come there and enjoy what we have to offer and to spend their money, to visit Science North and to enjoy our great tourist attractions including Sudbury Downs.

I am certainly happy to support this Bill and I would hope it passes as quickly as possible.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have listened to the whole of this debate. All speakers from all Parties are in favour of the Bill. However, I am glad that the Bill is to go through the normal process that should apply to all legislation except in the case of dire emergencies.

If this Bill were truly as urgent as the Government says it is and as high a priority as it portrays it to be, it could have brought the Bill forward in the last Parliament. The Government could have brought it forward a year and a half or even two years ago and it could have been law long since. The reason the Bill is not now the law of the land is because the Government has given it a low priority. Instead of seeking to deal with it the way legislation is normally dealt with which is to say through parliamentary channels, the Government has tended to adopt a last minute strategy. Bills are presented as being urgently needed to be passed within hours or all opportunity to see them become law will be lost.

The Government should get serious about this Bill. It should encourage it to go through the normal process with at least one hearing so that we can hear about other aspects of the Bill than the main focus of the agriculture committee which is to ensure that the agricultural industry in every sector is healthy, and I wish the committee well in that goal.

For my part, I hope to be able to attend the meetings of the agriculture committee. Although I am not the agriculture critic for my Party, I am the justice critic and this is an amendment to the Criminal Code. I am also interested to know why it is that a number of provinces including the Province of Ontario are objecting to this Bill. I would like to hear their points of view. As well, I would like to hear why the United Church of Canada objects to this Bill. To view these objections and the process implied by these objections as somehow being an obstruction is totally unworthy.

We are parliamentarians here. We ought to recognize that there is a right way and a wrong way to deal with legislation. We know that there are serious voices like at least one or more provincial Government and a very important religious institution that wish to be heard. We should not urge each other to try to rush the Bill through without giving it the minimum amount of debate.

We in Canada have reasonable procedures and I think we should follow those reasonable procedures. Normally, a Criminal Code amendment would go to the justice committee, but that is a technicality. I intend to participate in the process of the Bill as it goes through the agriculture committee, and I would urge all Hon. Members, particularly new Members, to take our rules seriously. Let us not depart from them. Let us not seek unanimous consent to try to depart from procedures that have been established and tested by time without a very good reason for doing so.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I suppose almost everyone has his or her favourite story relating to the sport of kings. I do not know if I can proffer a story as colourful as that of my Hon. friend from Nickel Belt (Mr. Rodriguez). I certainly cannot match his colourful oratory.

I live very near Assiniboia Downs in the City of Winnipeg. It is located in my riding of Winnipeg—St. James. I have visited Assiniboia Downs many, many times, being about only five minutes from there. I have at times zipped out to Assiniboia Downs after dinner in the evening to catch a couple of races.

I recall a number of years ago being at Assiniboia Downs with a friend of mine. He and I were having a chat between races and we were set upon, as it were, by a young boy of I would say about ten years old, and he turned to my friend whose name was Joe, by the way, and asked him: "Who is going to win the next quinella?"

My friend Joe did not have much patience, but the young boy persisted. Finally Joe sort of shooed him away and said: "Oh, go away, it will be one and ten."

You probably know the end of the story, Mr. Speaker. One-In-Ten did come in and the boy collected hugely while on the other hand, my friend Joe did not collect a nickel because he did not bet on one and ten.

I am sure that that does not match the story told by my friend from Nickel Belt. I do not know whether his story is true or apocryphal, but mine is true.

I rise this afternoon in support of this initiative perhaps because my closeness to Assiniboia Downs which is of course the major race track in the Province of Manitoba. I support this initiative and the proposed legislation. I certainly would not want to hold it up, but I agree with my hon. friend from York Centre (Mr. Kaplan). We should take our parliamentary business seriously. We should take the democratic process seriously, and we should not rush this through.

I listened to my hon. friend from Mississagua West suggest quite seriously and sincerely that this Bill should be put through all stages this afternoon. I think that that would be moving much too quickly. The Government did have its time to do this earlier. For some reason, it neglected its business. We can wait a few more days before this piece of legislation is enacted.

After all, people are entitled to express their views, to bring forward their opinions and to ask questions. I was speaking to one of my colleagues from Prince Edward Island this afternoon and he told me how important the racetrack in Charlottetown is. In that relatively small city within that relatively small community, last year alone, wagering amounted to some $6 million at that race track. That is a lot of money and that is a lot of jobs. It is a significant industry in the area. I am sure the people from that area would have some questions, views and opinions, and we should afford them the opportunity to make a presentation at the agriculture committee if they so choose. Surely, as parliamentarians, we should afford them that opportunity. That is the least we can do, even though there is all-Party agreement that this Bill should go forward to its conclusion.

• (1650)

The Bill is important to the industry. It is certainly important to Assiniboia Downs and to the racing industry in the Province of Manitoba. For example, it is a vital tourist attraction. Our city is only a few miles from the United States border. There is no major league racing, if I can put it that way, in the State of North Dakota. Thousands and thousands of visitors and tourists flock

north from North Dakota, South Dakota, and the State of Minnesota to the Province of Manitoba and to Assiniboia Downs to enjoy an afternoon or an evening at the races. This legislation will ultimately enhance the business and make this industry more attractive.

In my province, Assiniboia Downs and the racing industry employ roughly 3,000 people. That is very significant. We as parliamentarians have a responsibility to support that type of industry. I have been told that if the Bill goes through, which I am sure that it will, it could add 500 to 600 jobs to the industry. Again, I consider that significant. We should throw our support behind it as much as possible.

Over half the population of the Province of Manitoba resides in the capital City of Winnipeg. The other half of the population, approximately 500,000 people, is scattered throughout the rest of the province. There are many race fans in the cities of Brandon, Dauphin, Thompson, Swan River, Flin Flon, and The Pas. As this industry expands and grows it is not hard to envisage that there could be theatre betting established in the City of Brandon or in the City of Dauphin. I feel strongly that they are entitled to it.

Going out for an evening at the races is a pleasant pastime. Many times I have gone to Assiniboia Downs to enjoy the races. I do not only enjoy the races, but I enjoy the restaurant facilities and the company of friends. It is an evening out, a real social occasion. It is not only watching the ponies running or betting. It is a full package. It would go over very well in communities such as Brandon, Dauphin, The Pas, Swan River, or wherever the industry feels that it can reach out. We should support this type of initiative.

I want to say one more thing about giving people the opportunity to express themselves. Almost nothing in this world can be construed as motherhood, and there are people who are down on wagering of this nature or who are down on any type of betting. The business of racing, the sport of kings, has its detractors. Those people have a right to tell us their concerns and reservations. We should facilitate hearing those people. Like my friend, the Hon. Member for York Centre I would like to hear from the United Church of Canada if indeed that particular church has reservations or concerns. In the fine tuning of the legislation, if that comes to be, if we can fine tune it perhaps to alleviate some of their concerns then we have done our work.

While this piece of legislation deserves our support, let us send it to the agricultural committee where the democratic process can go forward. There is still time.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: I understand there is unanimous consent this afternoon to refer the Bill to the Standing Committee on Agriculture. Is there unanimous consent?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to the Standing Committee on Agriculture.

Mr. Deputy Speaker: On a point of order, the Parliamentary Secretary to the Deputy Prime Minister.

Mr. Cardiff: Co–operation has been achieved this afternoon from all Parties of the House. I want to thank all Members who participated in the debate for that co–operation, and in the spirit of co–operation I would ask the Speaker to call it six o'clock.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: This House stands adjourned until tomorrow morning at 11 a.m.

The House adjourned at 4.56 p.m.

HOUSE OF COMMONS

Thursday, April 20, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL RELATIONS

CONCERN OF CANADIANS REGARDING TRAGIC EVENTS IN LEBANON

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, the recent tragic events in Lebanon are of concern to all Canadians, and I am sure all Members of the House share the Government's sense of compassion for the many victims of latest troubles.

The Secretary of State for External Affairs (Mr. Clark) has already stressed this great concern on several occasions.

On March 31, Canada participated in the Security Council meeting on Lebanon and we expressed our support for the statement issued by the president of the Security Council at that time.

Mr. Speaker, what has been happening in the last month in Beirut is of course only the latest stage in the civil war which has rent that country for the last 14 years, and it cannot be seen in isolation.

Throughout these events, Canada's support for the sovereignty, national unity and territorial integrity of Lebanon has been steadfast, and that remains the fundamental basis of our position.

As part of this, we have repeatedly supported the principle of the withdrawal of all foreign forces from Lebanon.

[*English*]

We believe that all Lebanese parties must make further efforts toward national reconciliation and, as the Secretary of State for External Affairs (Mr. Clark) stated on March 30, we do not consider that violence is the route to national reconciliation. We have therefore called upon all the parties concerned to redouble their efforts to achieve national reconciliation.

The complexity of the Lebanese problem hardly needs underlining. It is known to have defeated the well-meaning efforts of numerous outside parties, but this is no reason to stop trying. This is why we have supported the efforts of the Arab League Ministerial Committee, led by the foreign Minister of Kuwait, Sheik Sabah. Our support for his efforts has been conveyed directly to the Government of Kuwait and we have urged the parties concerned, particularly Syria and the Lebanese parties, to co-operate with the Arab League efforts. We also welcome the latest initiative by President Mitterrand.

Over the years, Canada has done its part to help alleviate the suffering of Lebanon and the Lebanese. Canada has given refuge to thousands of Lebanese who have chosen to make their homes with us. We are proud of their contribution to our national life, which is indeed reflected in the composition of the membership of this House.

• (1110)

We are also proud of Canada's record of humanitarian assistance to Lebanon given with a view to helping those parties directly affected. Likewise, Canada has provided peace-keeping troops, both at the beginning of the mandate of the United Nations forces in south Lebanon or UNIFIL, and in our ongoing participation in the United Nations Truce Supervisory Organization, UNTSO.

[*Translation*]

In view of the latest developments, we have taken, or are taking further measures to help in a practical way.

As already mentioned, we support President Mitterrand's initiative. In this connection we are also pursuing discussions with the permanent members of the Security Council.

On April 17, I announced tangible Canadian support for Lebanon in the form of a grant of $500,000 in response to a special appeal by the Red Cross. This money will be used to provide food, clothing, medicine and other necessities to those who have suffered from the latest events.

Lebanon, along with Canada and France, is a member of *la francophonie* and at the forthcoming summit in Dakar, we will be exploring other practical ways to increase international support for Lebanon.

In view of the current situation, the Minister of Immigration has decided that removals of unsuccessful refugee claimants to Lebanon have been temporarily suspended pending clarification of the situation there.

Moreover, because of the deteriorating situation in Lebanon an Immigration officer has been sent to Cyprus to help ensure that our capability of processing Lebanese immigration applications is not interrupted by the current events.

Our embassy in Damascus remains in a close touch with events in Beirut as is possible. Indeed one locally-engaged member of the staff was in Beirut as recently as April 10.

[*English*]

With these and similar measures, we continue to do what we can to offer practical help to Lebanon and the Lebanese people. Ultimately, however, what is required is a political solution. For this, we must in the final analysis look to the Lebanese themselves and to others directly involved, especially Syrians, to demonstrate that their professions of support for the principles of national unity and independence are more than mere slogans. They must be matched by a genuine commitment to national reconciliation and by compromises which can lead to the election of a new president acceptable to all Lebanese communities.

As a first step, Canada repeats its call for agreement to and respect for an immediate cease-fire. The Government would welcome the views of other Hon. Members of the House and indeed of other Canadians on this tragic situation.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I have risen in the House twice this week to address the situation in Lebanon. Many of my colleagues have also raised concerns about this same situation. There has to be an end to the pain and suffering that the people of Lebanon are living through day in and day out and Canada must fulfil its responsibility as a member of the international community by providing whatever assistance possible.

To my question about Canada taking the initiative and calling for an emergency debate in the Security Council, the Secretary of State insisted that a debate was not warranted at this time as, according to the Minister, it would not have any effect on this situation. Canada does have a part to play. One of the reasons I hope Canada lobbied so hard to get a seat on the Security Council was to play an active role in crises such as these. We now have this seat and we must not be meek in fully utilizing our position to maintain the level of influence in world affairs that Liberal Governments had developed in the past.

I have asked both the Secretary of State and the Prime Minister (Mr. Mulroney) what the Government is doing to help those refugees who are no longer in Lebanon but who have fled to neighbouring countries. I have not received a satisfactory response from either of them. In fact, I did not get a response from the Prime Minister at all.

While we applaud the aid that Canada has offered Lebanon through the Red Cross, I suggest that Canada can do more. Earlier this week, I asked the Government to provide additional funds for those people fleeing the crisis in Lebanon who are now in neighbouring countries. This should be aid over and above the half million dollars that is to be put to use in Lebanon.

To the suggestion from my Liberal colleagues and I that Canada open an office in Cyprus so that the refugees from Lebanon would not have to go to Syria to obtain visas, there was no response. The suggestion was not even addressed. It is irresponsible to expect people fleeing a situation in which Syria is directly involved to be forced by the inadequate policies of this Government to have to go to Damascus in order to receive help in coming to Canada.

We as Parliamentarians have an obligation to take actions that will result in the restoration of peace in Lebanon. We cannot sit back and watch events unfold with eyes glazed over, unable to comprehend the reality of the vicious wars that have engulfed Lebanon for far too long.

The time for action is nigh. Why does Canada, under this rudderless Government, always wait to see what the rest of the world is doing and then say: "Me too"? Why can't the Government show some leadership? Why can't Canada take the lead and let other countries follow us?

Canada is highly respected around the world for its fairness to all people regardless of where they live and under what political system. We are highly regarded for our humanitarian response to people finding themselves in crisis situations, be it caused by earthquakes, floods or war.

Canada, under Liberal Governments, has always demonstrated an open-door policy to refugees from around the world. That is why we have been pressing the Government, through private Member's statements and in Question Period, to do something quickly to help the Lebanese refugees, be they caught within the walls of Beirut or outside the borders of Lebanon.

[*Translation*]

Mr. Bill Blaikie (Winnipeg—Transcona): Mr. Speaker, I would like to thank the Minister for External Relations (Mrs. Landry) for her speech on Lebanon this morning. As the Minister said, the events in Lebanon are a matter of concern to us all, and the Members of the New Democratic Party wish to express their compassion for the victims of this civil war, a war that is having increasingly tragic consequences.

We are pleased that the Canadian Government has taken some measures to help Lebanon, such as offering $500,000 in aid, and we support the efforts of the French Government, both diplomatic and humanitarian.

[*English*]

I am thinking particularly of the actions being taken by France to evacuate the wounded. We know that is a very dangerous undertaking on the part of the French and we appreciate that it is being done.

Having said a word of approval about what the Government has done so far in terms of the $500,000 in aid, I also want to say, along with my Liberal colleague, that this is not enough. There are many other things which the Government could have been doing up until now which it has not done.

We second the hope of the Government that the Arab Ministerial Committee will be able to bring about the kind of political negotiation for a context in which a peaceful and political solution might be found. We share the view that Syria and all Lebanese parties will have to come to their senses, that this kind of violence is not the way to create the kind of Lebanon that anyone wants for the future.

• (1120)

We also believe that the Canadian Government could have used its position on the Security Council to have shown leadership. This is a criticism that we have offered before, not only with respect to Lebanon, but with respect to other issues. Why did we lobby for two years to get on the Security Council if we were not going to be a country that takes initiative on the Security Council, whether it is calling for an emergency debate on Lebanon, or whatever the case may be. We did not go on the Security Council only to be spectators, or to wait and see what other people were going to do and then give our support to a French initiative, as in this case, or to an initiative from another country in another case? That has not been Canada's historical role. We hope that the Canadian Government will finally seize the opportunity to show the type of leadership that it so desperately wanted when it sought to be on the Security Council.

We share with all Canadians our feeling for the suffering, not only the obvious suffering of the people of Lebanon, but also the suffering of the Lebanese community here in Canada. Not so long ago this anxiety brought itself to Parliament Hill in the form of the hijacking. People must have a tremendous anxiety about what is going on in their homeland and what is happening to their friends and relatives. As the Hon. Liberal Member has stated, we urge the Government to do more in terms of facilitating and expediting the matter of dealing with the refugees seeking to leave Lebanon from Lebanon, and also those people who are in third countries. The Government must make every possible effort to deal with those refugees who are of concern to the Lebanese community here, and to everyone else.

The Government mentioned *la francophonie*. Both with this issue and other issues, I hope that the Government will do its best to make that a political forum to deal with this type of situation, in the way that the Commonwealth has become a forum for dealing with issues such as South Africa. At its last meeting matters such as human rights violations were very low on the agenda, and it was not a conflict-oriented agenda. If it is going to fulfil the role that it can fulfil in the world, that is something that the Government must seek to make of *la francophonie*.

Finally, we join with everyone else to plead with the people of Lebanon. It is an intractable situation that, for years and years, has defied the best efforts of many countries, nations, and leaders. We say to all parties in Lebanon, particularly to Syria, that it is about time that they saw that this type of violence is not the way toward the Lebanon of the future that anybody desires. The international community is waiting and is there to help sort out the problems, if the parties to the problems will show the appropriate willingness. We hope that the Government will do everything in its power to bring about that type of situation.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Commonwealth Parliamentary Association, the report of the official parliamentary delegation which represented Canada in Grenada and St. Vincent and the Grenadines from February 10 to 19, 1989.

* * *

PETITIONS

UTILIZATION OF PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present another petition in support of the Port of Churchill. This petition has been signed by a number of people from The Pas, Manitoba. The petitioners indicate their support for the full utilization of the Port of Churchill. They believe that it will improve the economy of Canada's prairie provinces, and that there is a need for the federal Government to develop the obvious potential of Canada's only inland seaport.

Therefore, your petitioners humbly pray and call upon the House of Commons to direct the Minister responsible for the Wheat Board to ensure that, at the very least, 3 per cent of Canada's annual grain shipments be shipped through the Port of Churchill, and that the Government aggressively pursue additional ways to utilize this important seaport to ship exports other than grain.

[*Translation*]

REQUEST THAT CREDITS FOR NUCLEAR SUBMARINES BE ALLOTTED TO MEDICAL RESEARCH

Mr. Alfonso Gagliano (Saint-Léonard): I also have a petition in which the undersigned ask the House that the federal Government be urged to increase its contributions to the provinces for the financing of health services in hospitals; to cancel the construction of two nuclear submarines worth $2 billion each; to invest these $4 billion in research in order to find a cure for AIDS, cancer and cardiovascular diseases; these funds would also enable all hospitals in Canada to acquire the equipment and instruments they need to alleviate the suffering of their patients.

Therefore, your petitioners humbly pray that the health of Canadians will be a priority for all Canadian parliaments.

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to S.O. 36, I have a petition signed by several constituents from Ottawa—Vanier and other areas, to the effect that a sales tax on music lessons would hit middle-income families which would then no longer be able to afford them. A sales tax on music lessons would penalize our young Canadians, talents would remain undiscovered, and the future of Canadian music, both nationally and internationally, would be seriously threatened.

Music teachers also play an active part in the education departments of all Canadian provinces. Their knowledge and expertise give students the skills and ability they require to be admitted to the music departments of our universities.

Therefore your petitioners humbly pray Parliament to consider music lessons as an educational process, thereby exempting them from the sales tax to be included in the next Budget on April 27.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Mr. Speaker: I have received an application for an emergency debate. The Hon. Member for Oshawa.

MOTION TO ADJOURN UNDER S. O. 52

POST-SECONDARY EDUCATION—ABORIGINAL PEOPLES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise under the provisions of Standing Order 52 to seek leave to adjourn the House for the purpose of discussing a matter of urgent and pressing concern, namely, the proposed changes in regulations affecting post-secondary education programs for aboriginal Canadians.

These proposed changes have been universally rejected by the aboriginal community across Canada. The proposed regulations, together with the attendant proposed cap on funding, would have the opposite effect of what the Government claims. If this capping is proceeded with, instead of achieving genuine equality of access to higher education, it will have the exact reverse effect.

If you rule in favour of the motion, Mr. Speaker, I would be only too happy to participate in the debate and put forward more relevant information in this context. It is time for more justice not less justice for aboriginal Canadians.

Mr. Speaker: I should say to Hon. Members and to the public that I am quite sure there is great concern about this issue. As is appropriate, some time ago I received notice of the application that has just been heard. I have given it some very careful consideration. It is also important to understand that the Speaker must exercise some care in the granting of an emergency debate, that the issue is not whether the matter is important, but whether it can be pursued in this House in another way.

• (1130)

I say to the Hon. Member for Oshawa (Mr. Broadbent), who has eloquently spoken on this issue, as have other Members, that the Speaker views this matter as one of very great concern and importance. It is not very often that the Speaker will indicate to Hon. Members what I am about to say but, I think on this issue I will. As the Member for Vancouver South and as someone very concerned with this matter, I have also as a Member of Parliament been involved and am involved in ongoing discussions concerning this issue. I say that to indicate that I have some very great concerns, as have other Members.

It is, however, my duty to rule procedurally on this issue. I have to say that at least under the circumstances at the moment, it is not appropriate to proceed with an emergency debate. However, for all of us who are deeply concerned about the issue and who feel great concern for some of the young people involved, the fact that I cannot rule for an emergency debate does not mean that it is not unimportant. It is a very difficult issue for all of us in this House.

I thank the Hon. Member for Oshawa for bringing the matter forward.

Mr. Skelly (Comox—Alberni): Mr. Speaker, I rise on a point of order. Given the very strong feelings on this issue, the fact that the matter should be debated in the House and that the Government should present its case for capping post-secondary funding, could you ask the House for unanimous consent to debate the issue when Orders of the Day are called later today?

Mr. Speaker: The Hon. Member I know rises with concern and sincerity, which concern is shared by Hon. Members on all sides of the House, but we are confined in applications for emergency debates to a statement by the Member who is applying. The reason we are so confined is that the Reform Committee, which did such useful work in the last few years, made it very clear that in applications for emergency debates, it is for the most part not appropriate for even the Speaker to give reasons why the Speaker approves or disapproves or allows or does not allow an emergency debate.

Furthermore, the rules are very clear that only the Member who is applying for the emergency debate is permitted to speak on it, and there are certain restraints on what the Member can say. The difficulty with this is that the Hon. Member who has just risen—and I understand and sympathize with his concern and sincerity—is starting to argue a case. The difficulty is that under the rules we are moving into debate.

As was pointed out by the Hon. Minister of Justice (Mr. Lewis) some days ago, this creates a situation in which the other side of this question cannot be heard. In other words, I cannot recognize a Minister of the Crown to argue in reply the merits of the issue being raised. I am in a position, as Hon. Members know, in which I will have to come before this House very soon with some statements in connection with what is and what is not appropriate in an application for an emergency debate.

I reiterate that I think all Hon. Members in this Chamber believe that this is a very serious matter. I have indicated that I would not do this very often, but as I am involved in this as well as other Hon. Members, I do not think it is appropriate for the Chair to entertain any further argument on it. There are other places, and there will be other places today, where the issue can be raised, and I am quite sure Hon. Members will do so.

I hope the Hon. Member will accept that I do not dismiss the matter lightly but I am bound, as you would have me bound, by the rules of this place. I want Hon. Members and the public to understand that.

Mr. Kindy: Mr. Speaker, I rise on a point of order. There was a question about whether there is unanimous consent in the House to have a debate. I would support that and I wonder whether you could—

Mr. Speaker: This is exactly why we have the rule. The Hon. Member indicates he would give unanimous consent to debate this issue. That may well be, but the appropriate way is for the House Leaders of all three Parties and one of the Members of this House who is not in any of those three Parties to be approached and if there can be agreement, of course, the Chair will co-operate, but it is not appropriate to be debating that as a consequence of an application for an emergency debate. There is another way to do it and I would ask Hon. Members to co-operate in that way.

I recognize full well that the Hon. Member by giving his indication that he would give consent is again responding to a matter which is causing great concern to all Members of this House on both sides, as has been clearly indicated by exchanges in the House over the last number of days.

[Translation]

I wish to inform the House that because of the Minister's statement, Government Orders will be extended today by 19 minutes, as of one o'clock this afternoon.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

Hon. Harvie Andre (for the Prime Minister) moved that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, the agenda set forward by the Speech from the Throne lists as its first priority the building of a strong economy, fully competitive in world markets. The Speech from the Throne also highlights the environment in which we must achieve that objective: an environment of liberalized trade, requiring outward-looking trade policies; an environment of trading blocs; an environment of world-scale enterprises which have been launched to take maximum advantage of the increasing globalization of economic activity. In short, the Speech from the Throne recognizes that to succeed, Canada's economic effort must be characterized by excellence in its every facet.

We must achieve excellence in our national scientific effort, our research and development performance, and our development and acquisition and application of technology. We must achieve excellence in the innovation and creativity of our business and industrial management, and in the marketing of our goods and services on a world-wide scale. We must strive for excellence in human skills development at all levels of the education system, as well as the shop floor, but there is one over-riding requirement. Not only must we achieve and maintain excellence in these separate endeavours, we must also integrate them into a national effort, shared by the science, technological and business communities in partnership with Government at all levels.

• (1140)

Such an integrated national effort characterizes the thrust of the united Europe we will face in 1992, the Japan of today, the so-called Asian tigers of today and tomorrow. To compete with these world economic powers, and to maximize the opportunities arising out of the Free Trade Agreement with the United States, Canada can afford nothing less than to mount its own integrated national effort. Mr. Speaker, I am proud to point out that as Minister of Industry, Science and Technology, I am responsible for one of the main ways to ensure the success of these efforts.

This is the new Department, Industry, Science and Technology Canada, which under this Act will have a clear mandate to direct the federal Government's efforts in science, technology and business and industrial development.

[*English*]

Industry, Science and Technology Canada, ISTC, is already up and running. It was built out of the integration of the Ministry of State for Science and Technology, and the Department of Regional Industrial Expansion, once the responsibility for regional economic development in Atlantic and western Canada was transferred from DRIE to the Atlantic Canada Opportunities Agency and the Department of Western Economic Diversification respectively.

Further, central to the beliefs of this Government is the recognition that industrial policy and science and technology go hand in hand, and ought to be considered together. Making science and technology an integral part of industrial policy allows Industry, Science and Technology Canada to become the industrial policy centre for the Government.

The Department has already begun its work. It is clear even at this early juncture that the new approach is working.

Canadians have the will and the ability to succeed in the tasks ahead of us. ISTC staff have the spirit, the energy and the dedication required to lead the way. I am confident that we will increasingly witness the benefits of the integration of economic development efforts that have just begun.

The mission of Industry, Science and Technology Canada is to act in full partnership with the private sector, the science community and other levels of Government to promote international competitiveness and inter-industrial excellence in Canada, to renew and rebuild our scientific, technological, managerial and production base, and to bring together in a concerted way the talents required to guarantee Canada's place in the first rank of industrial nations.

I would like to focus for a moment on one of the key words in this mandate statement. The word is partnership. Partnership means that we will participate with, and lead, rather than dictate to Canada's industrial sectors. It means we will act as a reasoned advocate within Government on its behalf. We will make every effort to ensure that Government policies, for example, in taxation, regulations, transportation and other areas of particular concern to effective science and business development are designed with the interest of these communities in mind. Partnership and advocacy mean that we must establish and maintain a very strong and comprehensive business, science information and intelligence base, so as to better inform both Government and the private sector.

Our knowledge of developments in the science, technology, business and marketing realms must be second to none and available to all.

Finally, partnership means ongoing communication, continuous dialogue with the communities we are in partnership with in the achievement of our economic goals. Consultation with our industry and science partners has in fact been instrumental in putting together the slate of programs and activities that Industry, Science and Technology Canada is carrying out.

Business activity can be viewed as a continuum of effort from basic research, through applied research, product development, production and marketing. Traditionally, Government industrial assistance has concentrated on the production portion of this continuum. We have over the years traditionally provided assistance to firms to build production facilities, and in bad times to support production facilities that would otherwise be forced to adjust to economic realities. The bulk of Government industry support funding has been spent in this way.

Our new approach to economic success says that this is no longer sufficient. We have to adjust our priorities, not only because our resources are increasingly scarce but primarily because success demands excellence in our activities all along the continuum, from science to marketing. We must work harder and smarter to keep up in with scientific research and maintain research and development. We have to acquire and apply technological advances to our products and production methods. We need the capacity to move a product from the laboratory bench through to production more quickly at the highest possible standard of quality and design, and at a price that will help ensure acceptance in the international market-place.

Further, today's global market requires businesses to have strategic and financial planning capability, to permit management of technological developments and market opportunities, rather than reaction to them. Businesses must master marketing excellence in the international market-place which today knows no geographic or cultural boundaries. It is to meet these needs in all sectors of Canadian business, including the increasingly important services sector, which provides so much of our unemployment, that the activities and programs of ISTC have been designed.

[*Translation*]

A list of activities has been drawn up to link pure science and commercial success. The Government has recognized that we absolutely must invest in Canada's scientific and technological base to ensure our economic future.

Various initiatives show this: the creation of the National Advisory Board on Science and Technology chaired by the Prime Minister (Mr. Mulroney) and the allocation of $1.3 billion announced by the Prime Minister in January 1988 at the National Conference on Technology and Innovation.

[*English*]

There is no aspect of economic development today that does not depend on science and technology. Awareness of the vital role of science and science skills is a prerequisite to increasing our capacity to exploit technology. Success in this endeavour will require a concerted effort with the business and science communities.

One of ISTC's principal concerns is to mobilize this effort. A departmental priority is to bend its efforts toward promotion of a more science-oriented culture in Canada, to ensure an adequate supply of highly-qualified personnel in order to exploit the potential industrial benefits of technology, and to develop industrial opportunities directly from scientific endeavours.

ISTC has responsibility for national leadership under the national science and technology policy, and implementation of Innovaction, Canadian Strategy for Science and Technology. Innovaction initiatives include the federal microelectronics strategy, the Canadian manufacturing and advanced technology exchange, the national network of centres of excellence, the Canada scholarships program, funding the University Research Granting Councils and a public awareness program for science and technology.

Under Innovaction $240 million has been devoted to the national network of centres for excellence program. Two-hundred million dollars has been added the base budgets of the University Research Granting Council. The $80 million Canadian scholarship program is now beginning its second successful year of encouraging young people, particularly women, who are under represented in these fields, to take up careers in science and engineering.

Following naturally upon our efforts in the science field, the Department has launched a major effort to promote the development and application of strategic technologies. Strategic technologies are those like biotechnology, advanced industrial materials, information technology that will impact, not only on one sector or enterprise, but also on a broad range of industry and business in one way or another. In order to ensure that Canadian firms benefit from all that these technologies have to offer, we have, in consultation with business, developed government-wide strategies in these fields. A cornerstone of these strategies is the concept of strategic technology alliances.

• (1150)

The Department is moving to support alliances among companies, among groups of companies and research institutions and between groups of Canadian companies and foreign partners. These alliances may be established to plan and to perform precompetitive research and development or to develop leading edge technology applications.

Another key thrust of ISTC will be a series of industry sector competitiveness initiatives. ISTC is joining in partnership with selected industry sectors to carry out new initiatives to improve competitiveness.

[*Translation*]

In the past, the Government relied a great deal on general funding programs in its efforts to help industry adjust to change. Our new approach is to use more effective instruments designed in cooperation with industry and based on a more balanced set of policies, services and financial assistance programs that are more oriented to the needs and possibilities of a particular sector.

[*English*]

Pursuing the logic of our widened purview of the whole continuum of business activity, we have redesigned and rebuilt our services to business in all parts of Canada. A major activity of ISTC is business development and information services. We recently announced the establishment of international trade centres in our provincial offices. These centres will assist Canadian businesses wishing to penetrate export markets and provide a one-stop shopping service that our exporters have long been seeking.

One of the important functions of the provincial offices of the Department is to be the first point of contact with Government for the business community. As part of that function they will act as gatherers and disseminators of necessary information on market prospects and requirements. The total effort of the activities I have described is to provide leadership, advocacy, support and encouragement for development of the standard of excellence required by our entire economic thrust, from science to success in world markets.

While I have been talking about the concerns and responsibilities of Industry, Science and Technology Canada, in terms of the broad spectrum of industrial and commercial activity, there are a number of departmental priorities that deserve special attention. ISTC places a high priority on entrepreneurship and the dynamism of the small business community. The national policy on entrepreneurship announced last year will focus the direction of much of the Department's programs and activities.

Another area of special attention is the tourism sector to which ISTC will devote a dedicated effort to promotion of Canada's attractions in foreign markets. ISTC is also responsible for programs to assist native economic development in Canada. As the Speech from the Throne noted, the Government is concerned that our native peoples participate fully in our economy and will be extending its programs to assist native economic development.

[*Translation*]

Finally, Mr. Speaker, ISTC is responsible for economic development programs in Ontario and Quebec. Because this is a large task and because we wish to distinguish regional development from industrial policy, we are setting up a separate agency, outside ISTC, which will serve the regional development interests of Ontario and Quebec.

[*English*]

I began my address with a reference to the opening of the Speech from the Throne. I would like to end with a quote from its conclusion:

> As a strong, skilled and confident people, Canadians will find a greater place in world commerce and trade, in technological innovation, and in scientific development and discovery. The first task—will be to help prepare the way for this viable and dynamic Canada.

[*Translation*]

Mr. Jim Peterson (Willowdale): Mr. Speaker, first of all, I would like to congratulate the Hon. Minister on his nomination to a position which is among the most important in the Cabinet. That said, Mr. Speaker, he does not really have the means to do his job.

[*English*]

As the Official Opposition what we are trying to do, quite frankly, is to assist the Minister in getting the means at his disposal to do the job which he has created for himself and which has been set out for him. We are very upset at what we have seen in terms of the lack of priority in funding for his operations. We do not think that he will have the means or ability to carry out his mandate, a mandate which is perhaps the most important of any in the Government today.

The number of employees in the Minister's Department is being cut from 2,618 to 2,260. The operating budget of the Department is being cut from $216 million to $179 million. The money the Minister will have available to carry out his mandate is being cut from $965 million to $427 million.

Let us first look at regional development programs which are a critical part of the mandate of the Department. The Economic Regional Development Agreements have been cut. It is important that we make a distinction here in what is happening in the Department and what is happening with other development agencies such as ACOA, FEDNOR and the Western Diversification Fund.

On January 18, 1988, the Minister for International Trade (Mr. Crosbie) said in this House: "The Economic Regional Development Agreements will continue at the same rate of spending now in effect". As of March 31, 1989, there was a total of $1.613 billion in ERDA agreements which had expired and which have not been renewed. This is in spite of the fact that regional economic disparities remain one of the great blights on the Canadian economic scene. For example, in the Province of Newfoundland today the unemployment rate is 18.8 per cent. There are now more Newfoundlanders living outside of Newfoundland than in Newfoundland because they cannot find jobs there.

Cutting back on regional development programs such as ERDAs is a travesty to the Canadians in those regions. It is also a travesty for all right-thinking Canadians because if we are to have a strong economy in the future we must have strong regions. Our economy can be only as strong as its weakest region. Our workforce can be only as strong as our weakest Canadian. Our commitment to create these opportunities must be matched, Mr. Minister, by the funding necessary to make things happen. What is happening with these agencies that have been hived off from your purview which can no longer be part of the incredible mandate which you have—

• (1200)

The Acting Speaker (Mr. Paproski): Order, please. I would appreciate it if the Hon. Member would address the Chair.

Mr. Peterson: I would be very pleased to address the Chair, Mr. Speaker.

During the last election, what happened in these agencies was that one-third of the $1.5 billion allocated to the Atlantic Canada Opportunities Agency for a five-year period was spent in the eight months leading up to the election. How can we have an industrial strategy and policy for all of Canada when these funds are taken out of the purview of the Minister responsible for creating these types of new economic opportunities right across Canada?

For example, the Minister responsible for the Western Diversification Fund is the Minister of State for Grains and Oilseeds (Mr. Mayer). The Minister responsible for the Atlantic Canada Opportunities Agency is the Minister of Public Works (Mr. MacKay). The mandate is not with the Minister opposite whose job it is to create industrial opportunities right across Canada.

When we have cut-backs coming out of their Departments which will see funding reduced from $1.3 billion to about $250 million according to officials from his Department, we have great cause for concern. It is another example of how pious rhetoric becomes empty in the execution.

There is going to be some sleight of hand carried on in terms of the figures that are presented to us. They are going to say that they have cut by more than 60 per cent the funding available to this Minister to do his job, but they have given it to the regions. We had a solemn commitment from the Prime Minister (Mr. Mulroney) that he made on his way to the Economic Summit in Venice when he announced that the Atlantic Canada Opportunities Agency would be funded with "new money to the tune of $200 million a year". We are going to count every penny to make sure that no money disappears as this shell game is being played by the Minister's office.

Let us look at the issue of industrial adjustment due to the Free Trade Agreement with the United States. Long before this deal was signed, we had warnings from the Economic Council of Canada, from the Bank of Nova Scotia and from others as to what industries in Canada were going to take a tremendous beating because of this Free Trade Agreement: textiles, footwear and clothing, household furniture, major appliances, food processing, auto parts, electrical and electronic equipment just to name a few. Industrial restructuring, worker adjustment was foreseen long before the deal was signed.

The Macdonald Commission said:

> A Free Trade Agreement should incorporate explicit provisions that reflect the proportionately greater cost for adjustment that Canadians will face. Since investors, workers and managers will begin to plan their strategies for adjustment even before a final agreement is reached, it is essential that an overall adjustment assistance framework be worked out well in advance of concluding a formal treaty.

What has this Government done? Nothing. It appointed the de Grandpré Commission well after that agreement was concluded. That Commission reported only a short time ago. It emphasized a lot of the programs that have been put forward by the Official Opposition for worker assistance, for worker adjustment. This was information that the Government already had. Has the Government introduced or implemented one of those recommendations to assist in this adjustment?

On November 24, 1988, the Right Hon. Prime Minister said:

> I want to tell Canadians we shall ensure innovative and generous adjustment and retraining programs will be introduced whenever and wherever required with the chief priority being the well- being of the individual Canadian worker and his family.

As yet we have seen no provisions that match the rhetoric.

In the Minister's speech, he did not mention the tragedy that is being faced by so many workers who are being thrown out of their jobs today. I could go down the list, but to date we have identified probably 4,000 to 5,000 jobs that have been lost in Canada directly attributable to the Free Trade Agreement.

An Hon. Member: How many created?

Mr. Peterson: The Inglis plant in Toronto is a typical example. It was producing one of the finest washers in Canada. It will be closing and production is going to be shifted to Whirlpool's head office plant in Ohio. It will serve the Canadian market fully out of there. The Minister talks about being able to intervene in a constructive way in the Canadian economy. Has he even met with the union that is trying to keep the plant going and take over production for all of the North American market of the line that is being discontinued? Would he be good enough, if he has not already taken the initiative, to sit down with these people and try to work out something that will be good for Canadians?

In Bill C-3 there is a section which talks about special assistance that will be available by order in council to industries or companies selected by the Government. What is the record of intervention by this Government on behalf of individual companies and individual workers in difficulty?

Let us look, for example, at Lumonics, a world leader in laser technology. It could not get the funding in Canada to carry on the expansion that it needed to become a big player on the global scene. In desperation it sold out to the Japanese corporation Sumitomo. If we cannot give the edge to these Canadian threshold companies that have developed the world's leading edge in technology so that they can be Canadian controlled and tackle the world market, we are in desperate shape. We will not have an industrial policy for the benefit of Canadians. It is far too easy to cheaply sell our world class technology, developed in Canada with public money, to foreign firms.

• (1210)

Connaught is Canada's leading biotechnical firm. It is the maker of the Salk vaccine and many other medicines that are sold around the world. Under this Government, 51.6 per cent is being bought out by a French company that is controlled by the French Government. It is a fundamental strategy of its public policy to control this leading player in the world technology scene.

I believe the federal Government is ceasing its involvement in a program where it provides generic programs and assistance to all Canadians who meet the criteria and gives the back-up which only Governments can give, be it an American Government, French Government, Japanese Government or any other Government. The federal Government is abandoning its supportive role for industry and instead has decided that it will intervene on a case-by-case basis. The Government has also dramatically reduced the funds that will be available to less than half their present levels.

The Government knows that when it attempts to intervene on a case-by-case basis it will run up against the Free Trade Agreement. The moment it gives specific assistance to any particular company, the Americans will cry foul. That type of subsidy will become countervailable under American law and the Government will say it cannot take action because it signed a sacred accord with the Americans which now prevents it from pursuing the policies that it would like to pursue. It will say that it can no longer pursue these policies to assist specific Canadian industries and firms because these will contravene the Canada-U.S. Free Trade Agreement.

One of the major tools that was critical to the Government in order to go about the pious tasks outlined by the Minister was the ability to assume a creative role of intervention, assistance and support in working with Canadian firms.

I also see a danger of favouritism. The assistance programs provided for under Clause 9, known as special assistance, are made by Order in Council rather than by meeting broadly publicized criteria for which any Canadian can apply. They are direct political decisions. The possibility of favouritism is great.

We have seen in the past that the Government is not above using economic levers to achieve other policy objectives. We have seen frigates being awarded in return for support for a free trade agreement. We have seen offers being made of extensions of the Trans-Canada Highway if there is support for Meech Lake. This is the wrong direction for adjustment assistance to take.

It may be argued that the Government will exercise its discretion in a non-political way. The one case in which the Government has intervened directly in recent days on behalf of a company is in the case of American Express. In spite of the fact that five of the nine guidelines for the admission of foreign banks to Canada were offended and broken, the Minister of Finance (Mr. Wilson) announced that American Express would be allowed to come to Canada, that is until we raised a clamour in the House. That is the type of political patronage and opportunism for friends that the Government is prepared to carry out. It has demonstrated that this will be its hallmark. American Express was the company that led the fight in the United States for free trade.

The Minister did not address the issue of foreign ownership. Presently, there is a $25 million threshold under Investment Canada. There were 606 applications made to Investment Canada over the period July, 1985, to December, 1988. All of those applications for the change of control of a Canadian company were approved by Investment Canada. We do not believe that opening up Canada for take-overs by foreign firms will be in the long term economic interests of Canadians.

We have seen their record of performance. Foreign firms do not export as much as Canadian firms. Their level of research and development is abysmal. We cannot work with them in the same way to ensure that their loyalties are primarily to Canada rather than to their foreign parent corporation or to the host country of their foreign parent corporation.

According to the Free Trade Agreement, rather than the $25 million threshold, there is a $150 million threshold so that any take-over of a company with anything under $150 million assets will not be subject to review.

When an American firm takes over a Canadian firm, as is happening at an accelerated rate, we can no longer impose conditions to ensure that it has a world product mandate here in Canada. We can no longer ensure that Canadian supplies are used in the production of goods in Canada. We have given up the right to give duty draw-backs to encourage manufacturing by foreign firms in Canada.

Once those firms are here they are given national treatment and are treated just the same as Canadian firms, which means no conditions can be imposed upon them to ensure they do not sell out the Canadian operation to other foreigners.

Even in the United States today there is a growing awareness that corporations should have some degree of local control. The Florio amendment in the United States led to the review of all high technology take-overs in the United States. The U.S. Committee on Foreign Investment has wide discretionary powers and has become actively involved in screening foreign take-overs. This is what has happened in the Fujitsu bid to take over Fairchild, in the key semi-conductor area in the United States. If the United States considers semi-conductors to be critical to its economic future, why does this Government not consider biosciences and the medicines produced by Connaught or the laser technology by Lumonics to be critical to our economic future here in Canada?

The Minister talked at great length about the need for science and technology. He is not alone in talking about this topic. On March 4, 1987, the Prime Minister at the University of Waterloo, said: "For some years I have been speaking and writing about the urgent and pressing necessity of increasing our national commitment to our R and D." He said as well that that was why his Government put science and technology at the top of the national agenda. He has been controlling that national agenda since 1984.

• (1220)

What has happened to R and D? In 1984, the Prime Minister promised us that he would double it by 1988. It was then at about 1.4 per cent of Gross Domestic Product. It is now at about 1.35 per cent of Gross Domestic Product. It has gone down in spite of these pious declarations.

The Prime Minister might try to tell us that this is the fault of the private sector. What has happened? The Government commitment and share of the total spending on R and D has gone down from 37 per cent in 1984 to about 30 per cent in 1988. So much for the Government's pious commitments to more R and D.

Again, we have grievous concerns about the extent of research and development that will be done by foreign firms in Canada. When you look across the spectrum, Mr. Speaker, as I am sure you have done many times, you will see that in almost every industry in Canada, the level of research and development that is undertaken by foreign controlled firms fall well short of that which is undertaken by Canadian controlled firms. In mining, it is less than half; in wood-based products, it is about two thirds; in metals it is about 80 per cent; in machinery and transportation, it is about 20 per cent. For equipment that is electrical or electronic, the percentage of sales that goes into R and D by Canadian controlled firms is close to 15 per cent. For foreign controlled firms, it is less than 3 per cent. I could go on and on.

This is the kind of problem we are facing. The Minister, in his speech today, did not come to grips with it at all. He did not once mention the question of foreign control.

Clause 15(2) of this Bill deals with the provision of loan guarantees, stock options and other ways that the Government might intervene to assist certain Canadian firms. I did not hear once from the Minister about his philosophy how he expects and wants Canadian firms to play a role of partnership with Government.

On this side of the House, we have very big concerns about straight grants, straight loan guarantees or straight loans to private sector firms. These loans or grants put the Government in a no-win situation. If the companies are successful, the Government does not get its money back. If the companies fail, the Government's money is gone forever. If we are to have a strong partnership between Government and the private sector, we believe that the Government should consider very closely the use of stocks and shares or stock options. If the companies do not work out, the Government stands as a secured creditor with other creditors. However, if the partnerships do work effectively, all Canadians can benefit by the increased value of the shares. In other words, the Government can make a profit. It will have more funds to re-invest in other Canadian enterprises.

We have seen a tremendous preoccupation on the part of government Members with cutting the deficit. They have been born again. This is the Government that talked about the deficit in 1984 and which, in its four short years in office, doubled our national debt. Now it has a tremendous fixation with the concept of a quick fix for the deficit problems. It even has a Minister responsible for privatization.

Again, we do not see this being put forward as part of the Government's national strategy for promoting Canada's economy by the Minister. It falls into the hands of another Minister. We want to put the Government on notice that there might be some good Canadian companies it intends to privatize which are producing at good profit levels.

Let us suppose that the Government sells off a good Canadian Crown corporation for $100 million. Let us suppose that the Government uses all that money to reduce the deficit. What the Government is saving is the interest rate at say 10 per cent on $100 million. If the company that was sold was producing income levels of more than 10 per cent and, in addition, was paying income tax or other taxes of any sort, then Canadians would be the net losers. We want the Government to take a very business-like and pragmatic approach to how it deals with these assets, and we also want the Government to look at whether or not the assets have an ongoing role in Canada's public policy.

In conclusion, the Minister's speech contained very little with which we could disagree. It contained a lot of pious declarations about the need for a strong economy for Canadian firms to be competitive. It is not with these sentiments that we disagree. We disagree with the hypocrisy the Government has displayed in taking concrete action to support these pious words.

We have heard the Prime Minister's declarations in the past regarding research and development. We heard how it was so important to our future. Yet, in his four years of Government, it has decreased. We have heard pious declarations about ensuring that Canada's economic regions that are less favoured than others are given fair opportunities. Now we see an incredible cut-back in funding to those regions. We have heard the Government's commitment to keeping jobs in Canada for Canadians. Yet under the Free Trade Agreement, at least 5,000 have been lost in the last couple of months. No programs have been put in place. There have been no consultations with these firms to help see what could be done. There has been no examination by the Government of what might possibly be done with companies such as Inglis, working to ensure its production in Canada on an on-going basis.

The Minister spoke about his Government's role in providing an infrastructure for Canadian businesses and for Canadian economic opportunities. He talked about transportation. Again, the Government's actions do not meet its words. The Government is closing down VIA Rail, and in June it will be closing down Air Canada's flights into Stephenville, Newfoundland.

• (1230)

We heard the Minister's pious declarations about how the Government is going to work to ensure that there are generous tax policies in the Budget that will assure there will be research and development here in Canada. This Government cut the funding and tax incentives for research and development. The Government was criticized by its own commissioner, Mr. de Grandpré, who stated that in terms of government support for R and D we are at an all-time low, and at a comparative disadvantage with every other industrialized country in the world. We in Canada are going backwards. The performance does not live up to the rhetoric.

In conclusion, we urge the Minister to stand up for a strong Canada and a strong economy. It is not a shame or a crime for governments to sit down with business and plan our economic future. Some businesses have their own plans for the future five or ten years, and those that do not seldom survive. The Government can play a unique role in our economy that business alone cannot. Canada does not have the large defence spending that the United States has, nor do we want it. The Government has a role to play in encouraging research and development, and encouraging education and training that will make us world leaders.

It is a travesty that 70 per cent of Canadian young people leave high school and go into the workforce without post-secondary education or any type of job training. We cannot compete with the Japanese and the Americans with a record that is so abysmal in this area. Our most important and precious resource is our human resource. The Government pays lip service to that, but it has capped the educational spending for native Canadians, the people who are most desperate to have the education.

The Government has a critical role to play in ensuring that incentives are there for Canadians to invest in our businesses. We await the Budget with bated breath to see what the Government will do to encourage worker participation in investing in companies, and to see what it will do to encourage outside investors to invest in Canadian companies that will carry us to new leading edges in technology. We want to see what special provisions will be made to encourage Canadians to own and control their own companies. We do not believe that the Government has been correct in stating that the marketplace alone will dictate, and that we do not have a role to intervene or interfere. We believe that Canada can only be strong if it gets rid of the syndrome of selling off its best companies to foreigners. There is more foreign control in Canada than in any other developed country in the world.

We will continue to maintain our low levels of research and development, and exports, and keep selling off our new leading technology firms, such as Lumonics and Connaught, unless the Government recognizes the realities and acts for the benefit of Canadians. Unless the Minister is prepared to match his rhetoric today with concrete actions in the future, and unless the entire Government is prepared to stand behind the policies to which the Minister has paid lip service, but for which he does not have the means, the programs which have already been cut will suffer even greater cuts, if we believe the officials in the Minister's Department. Unless the Government will look at the concept of creating a strong Canada—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time expired approximately one minute ago. I would request that he conclude his remarks.

Mr. Peterson: Thank you, Mr. Speaker, and I apologize to all Members for speaking over my time.

In conclusion, above all else we want the Government to stand up for Canada and to put Canada first.

Some Hon. Members: Hear, hear!

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this Bill comes before us and provides us with the opportunity to give an over-all assessment of the industrial policy and the regional development policy of the Government. In that sense, it is an important Bill with respect to broad areas of policy and broad areas of principle, despite the fact that in other respects it is simply a reorganization of the Department which is at issue.

Members of the New Democratic Party recognize the incredibly serious challenges which face the country in the industrial sector and in economic planning over the next 10 to 20 years. We are facing an international context which is becoming very much tougher for a country such as Canada.

In the immediate post-war period, having escaped World War II's direct damaging effect on our industrial infrastructure, Canada could expect to be a powerful and significant player in the international exchanges that are made economically throughout the world. On the basis of that, and on the basis of the tremendous resource exports that we developed in the period after World War II, for a far too brief period of time Canada achieved a level of full employment which gave to the people a sense of security, and a sense that their lives could be built without the constant threat of being dismissed, or being faced with shutdowns or disruption to their lives which would force them in turn to disrupt their families and their communities.

• (1240)

Those times, unfortunately, have disappeared. They have disappeared in large part, I think, not because of changes in the world economy, though those changes have taken place—they have been the challenge—but because both the Parties in this House that have formed federal Governments have not been prepared to meet those challenges and do something creative to give us the kind of industrial base which would provide full employment for Canadians. In my view, it is perhaps the most fundamental, the most damaging and the most shameful dereliction of duty on the part of the Liberal and Conservative Parties when they have been in power. They have not been prepared to say that the industrial future of Canada matters, first of all, and secondly, that Government has a responsibility to provide leadership in setting it right. Instead federal Governments have sat back and have left the initiative to the private sector. Governments have been prepared to have programs but those programs have essentially offered give-aways and bribes to private companies to do things which the private companies most likely would have done in any event. So we have faced a situation where the abdication of responsibility has been massive.

It is time that this Ministry of Industry, Science and Technology, which is finally being established, takes as its responsibility a commitment to Canada to see to it that industrial development becomes a priority which is thought out, worked at systematically, and which is built in this country so that we have a real future for the hundreds of thousands of unemployed people and for the many of those who will be coming on to our labour markets in the future.

There has been a great debate in some parts of the world about whether the manufacturing sector matters in the future of our economies, those of western Europe, North America and Japan. This question, by being asked, has demonstrated the lack of responsibility which has been there on the part of many Governments throughout the OECD countries to answer that question by saying, yes, manufacturing does matter; building an industrial base in this country and right across it does matter because that is the basis upon which we will achieve the full employment which matters to people and to communities on a human level.

As I think of this Government's record so far, I have to say that the record is poor. It is a record which has taken some initiatives, but the Government has not pursued those initiatives. It has not had a sense of priority concerning the structural base of our economy. One simply has to look at the revolving door of Ministers who have had responsibility for this area of policy over the last four and a half years. We started with Sinclair Stevens. We moved to Michel Côté, to the present Minister responsible for the Treasury Board, and then we moved to the present Minister. I congratulate him on his appointment, but I challenge him to take this Ministry seriously, to see to it that there is a long-term commitment on the part of the Government to building a solid industrial basis from which we can develop a full economy for Canadians.

One can think of sector after sector in which this has not taken place. For myself, coming from Windsor, it is perhaps the failures in the auto industry which have struck me most forcibly. Again, it has been a failure on the part of the Government and the previous Government. The previous Liberal Government of Mr. Trudeau set up a task force on the auto industry which brought employers, employees and parts producers together to make recommendations.

They made a series of excellent recommendations, perhaps the most fundamental of which was that there should be a notion, a commitment to Canadian content to which all significant importers of automotive parts and vehicles into this country should commit themselves. This would have given us from 40,000 to 60,000 extra jobs in Canada. That suggestion was ignored by the Liberal Government of the past. It has been ignored by this Government since 1984, despite the fact that a Parliamentary committee chaired by the present Minister of State for Science and Technology (Mr. Andre) came to the conclusion that, yes, there did have to be much more pressure put on Japanese and Korean car producers to ensure that they met commitments to Canadian content in this country.

Now that the Minister is in a position to take some responsibility for the Government's actions, I ask him to make certain that he will himself push to see that the unanimous recommendations of the committee get taken seriously and are put into effect. One can make the same point with respect to the forestry sector of our economy, because what we have seen from the Government is a series of actions which have hurt rather than

helped the Canadian forestry sector. This is a series of actions, the worst of which, frankly, was the voluntary acceptance of a 15 per cent export duty which seriously damaged employment prospects and growth prospects in the forestry sector right across this country.

• (1250)

The same point can be made with respect to pulp and paper, where the very serious implications of a takeover of Consolidated Bathhurst by Stone Containers of Chicago seem not even to have been looked at by the Minister who is responsible for Investment Canada, that is, the Minister who is responsible for this Bill.

The same point can be made with respect to steel. The steel industry has faced constant threats, constant retaliatory action from the United States in terms of trade, especially with respect to specialist steel. This Government has not at any stage taken action to pull together the steel industry of this country to try to work out a joint strategy, not just to trade but a joint strategy with respect to future investment, to future support for that industry, to future training assistance, if that were required.

I have just come back from talking with one of the largest steel companies in this country, and there is certainly not, from what they tell me, any sense of interaction between Government and the steel industry with respect to the whole broad set of production, employment, technology and environmental issues which face this industry in the future.

The same thing is true of textiles. With respect to textiles there has been consultation. There has not been agreement. The textile industry has felt itself to have been sacrificed in the negotiations over free trade.

An Hon. Member: And the printing industry.

Mr. Langdon: That is not the only industry. As my colleague has suggested, it is true of printing. It is true of the food industry, food processing.

An Hon. Member: Apparel.

Mr. Langdon: It is also true of most of the apparel industry, which is quite opposed to the approach which the Government has taken in the negotiations over free trade as they affect apparel.

I suggest to the Minister, who is throwing out interjections, that he should spend some talking to the apparel industry. Some of them are small businesses, I say to the Minister. That is what that Minister is responsible for. It is not just the typical manufacturing industries with which Government should be concerned. It is also industries which are less traditional, like tourism. The tourist industry has essentially been abandoned by this Government. There are various ERDA agreements which funnel assistance through the provinces. But the tourist industry is no longer even eligible for help from this Ministry with respect to the kinds of grants and assistance which the Ministry provides to other parts of the economy.

Finally, in looking at some of these sectors, I note the machinery sector of our economy. Surely, by this point we have to realize that you cannot be a sophisticated high technology industrial country without giving real support, real help in the development of a machinery sector. The machinery firms in my constituency tell me absolutely bluntly that what they get from this Government is nothing but hassle. They get harassment in terms of tariff decisions, which I have to spend a good deal of my time trying to straighten out. They get harassment in terms of taxation problems, which also end up in my constituency office. If we did not have at least a few people on this side of the House who are concerned about this sector of our country's economy, so basic to building up a future for us in Canada, the machinery sector would be in much worse shape than it is at this stage.

An Hon. Member: Nonsense!

Mr. Langdon: What do we aim at as a Party in the face of this kind of consistent pattern of failure on the part of the Government in trying to carry its sectorial policies forward? For ourselves, we see the necessity of a highly competitive, high-tech entreprenurial basis to much of our economy so that it can compete internationally. There is no disagreement with respect to that, despite the attempts of the Government to suggest that somehow the New Democratic Party is representative of 20th Century Luddites. But we have a commitment which this Government has not demonstrated to that kind of high-tech part of Canada's economy.

Secondly, we have a commitment to seeing to it that the the raw material resources of this country are used fully within Canada, instead of being made inputs to the United States manufacturing machine. We want to see the jobs from processing here in this country. We want to see a potential for zinc, which is dug out of the ground in northern Ontario or in the Yukon, to be used in zinc alloy production in Canada. We want to see copper used as an input to copper wire production, heavy electrical cables, in this country, not outside of this country so that the jobs disappear along with the resources. We also want to see that the basic building blocks of a solid industrial core are developed within Canada.

I mentioned the machinery industry as one of these basic building blocks. The chemical sector is another sector that deserves to have much more attention paid to it than has been the case on the part of the Government. If we take these basic building blocks and develop them, out of that will come the type of full employment which is so crucial to our country's future. As the previous speaker has noted, we have perhaps the world's worst industrial adjustment system, with respect to adjustment compensation to workers who are hit by trade changes which this Government has put into effect. Compensation simply does not exist.

• (1300)

We also had very little in the way of adjustment planning to respond to the threats of free trade. All we have to do is look to Europe where we can see that there are all kinds of creative, exciting and workable industrial adjustment interventions that our Government could be taking but is refusing to take. Instead, it is leaving things very much to the mercy of the market.

On our part, we also believe there have to be rules concerning plant shut-downs. It is unforgivable that an American company should decide to transfer production from its Canadian subsidiary in Toronto to its American subsidiary as a consequence of free trade and be able to get away with it scot-free. That is what has happened in the case of Inglis. That is what is happening in the case of Gillette. It is what is happening in the case of Northern Telecom. It should not be possible in a humane country, a country which has labour laws that make sense.

[*Translation*]

I want to tell this Government that we must change the rules dealing with the problem of plant shut-downs throughout the country.

It is also very important, Mr. Speaker, that we, in Canada, have control over our own economy.

[*English*]

In case after case, the Government has decided simply to let slip absolutely crucial surrenders of control in key parts of the Canadian economy. Mitel is now controlled by a British firm, despite a tremendous amount of government money having gone into the establishment of it. I have talked about Stone Containers and its takeover of Consolidated Bathurst. The loss of Connaught Labs, a part of this country's technological history, a part of our employment future, is something which is unforgivable.

The fact is that Investment Canada, for which the Minister is responsible, has operated simply as a rubber stamp with respect to takeovers. As I view these various takeovers, there has not been a single one rejected during the period of Investment Canada's existence. How can one take seriously an investment review system that has not found it necessary to review even one of thousands of takeovers and say: "That one does not make sense for Canada."? What we have here is in fact a rubber stamp.

We also must have serious support for small business. I direct these remarks directly to the Minister of State for Small Business (Mr. Hockin) who is now in a position to take some serious steps in this ministry, see to it that it does actually operate to help small-scale firms in the country. The member of our Party who is responsible for small business will be talking about the subject in more detail. However, I hope the Minister will take this task seriously. What I see in my constituency, which is full of small businesses, is that Government does not provide the type of help and support to them which is essential.

We also have to see creative reviews of public enterprise in Canada. There is a pathological rejection on the part of the Government of anything that smacks of socialism despite the fact that in country after country we find effective, profitable and humane public enterprises that are doing an excellent job for people. We in Canada have a long tradition of building such enterprises, mostly at the provincial level, because the federal level has not been prepared to do much except act as a band-aid merchant. The reality is that there is a potential there and I hope the Government recognizes it.

Perhaps the most important point to stress is that any industrial policy which is going to make sense for Canada has to be one which stresses regional fairness. Personally, I must talk about my visit to Cape Breton Island where I saw the tremendous differences in opportunities that exist for people in Cape Breton as compared with those for people in Ontario. It is simply not right. It should not be possible in a country like ours to have this kind of disparity going on generation after generation, so that there are people in Cape Breton who survive perhaps six or eight to a family on the single old age pension cheque of one member of the family who is old enough to receive that pension. It is not right.

It is not right either that on Vancouver Island we have rates of unemployment that are at the immense levels they are in parts of the island. The damage which has resulted from the lack of a serious strategy in the forestry sector is evident on Vancouver Island. The Government has to respond to that.

I could also speak personally about canvassing in Edmonton, the Acting Speaker's home area, and finding people as I went from door to door who had been out of work for months because of the collapse of job opportunities in that city. I could also talk personally about the tremendous disparity that one finds even in the richest part of Newfoundland, in St. John's itself. The difference between life in St. John's for a person graduating or leaving high school and the opportunities that are available to the same person in the City of Toronto are differences which simply should not exist in a humanitarian and fair country.

[*Translation*]

I can say the same thing about the Province of Québec where, in many communities, the unemployment rate is so high that young people cannot find jobs. That situation is just as unacceptable in the rest of the country. We cannot have a united country if young men and women are discriminated against and if people living in Québec do not enjoy the same opportunities as residents of Ontario. It is unfair!

• (1310)

[*English*]

I think the worst thing about this Bill, and the reason we will be opposing it, is that this Bill is part of an ongoing attack with respect to regional development in this country. We already have a freeze with respect to renegotiation of economic and regional development agreements with the provinces throughout this country. Seven provinces and two territories are affected. There are 44 sub-agreements to a total of $918.3 million which has lost its reality as of March 31 and which this Government is not carrying forward to renegotiation at this stage.

We also have stories now circulating with comments coming from the officials within the Department of Regional Industrial Expansion, as it still is, saying that there will be more cuts and that these cuts are going to affect the hard-hit regions of this country, regions that were promised prosperity, thanks to free trade. They are now being given the reality of cut-backs, more unemployment, more broken promises as a consequence of what has taken place on the part of the Government. But most of all what we have in this Bill is one more step with respect to the dismantling of any over-all responsibility in this country for regional development. In that sense, this Bill is one more backward step for regional fairness in Canada.

All of this breaks the promise that was made last October in Saint John by the Prime Minister (Mr. Mulroney) who said, "The federal Government has a responsibility for regional development in the interest of national unity as well as in the interest of fairness. We cannot have two Canadas in the economic sense any more than in the constitutional sense".

This Department used to be responsible for all co-ordination. That is destroyed by this Bill. It is not part of this Bill. We will therefore fight this Bill, and we will do so at this stage by moving an amendment. I move, seconded by the Member for Mission—Coquitlam (Ms. Langan):

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "this House declines to give second reading to Bill C-3 because it fails to clearly define federal Government responsibility for regional development and specifically fails to reflect the requirement of s. 36 (1)(b) of the Constitution Act, 1982 that Parliament is committed to "furthering economic development to reduce disparity in opportunities"."

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I wish to thank the Hon. Member for Essex—Windsor (Mr. Langdon) for bringing forth the motion so the Table and the Chair could take a look at it before he reads it. Therefore, I have read the motion and find it in order.

Therefore I shall call it 1.17 p.m. The House will now adjourn until two o'clock this day.

At 1.17 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ADMINISTRATION OF JUSTICE

EXTRADITION OF LEONARD PELTIER—FBI AFFIDAVIT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in 1976, Leonard Peltier, an American Indian, was fraudulently extradited to the United States as a result of a false affidavit submitted by the FBI to A Canadian Court. This fraud was only discovered after Leonard Peltier was returned to the United States and tried in the American courts.

It is totally unacceptable that Canada should tolerate such action from the United States, its neighbour and ally.

This week, the Committee for the Defence of Leonard Peltier is demonstrating on Parliament Hill, asking the Canadian Government to demand the return of Peltier to Canada for a new and fair hearing.

The committee is also making an appeal to the Supreme Court of Canada to cancel Peltier's extradition order and have him returned to this country. I ask the Government and the House to pay serious attention to this sad episode in Canada-U.S. relations and to support the corrective action proposed by the Leonard Peltier Defence Committee.

* * *

REGIONAL DEVELOPMENT

ATLANTIC CANADA—CALL FOR CONTINUATION OF FEDERAL ASSISTANCE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, since 1984 Atlantic Canada has experienced tremendous economic growth under this Government. Many of the difficulties we experienced in the past have been addressed. I do not want to see this trend diminished in any way.

Our present interest rate policy, which I do not question, is being used to combat inflationary pressures. Inflation, however, is not the problem in Atlantic Canada. Continued growth will be our challenge in the coming years.

To achieve this it is imperative that the economic initiatives and infrastructure programs currently in place for Atlantic Canada be continued and enhanced.

I urge the Minister of Finance (Mr. Wilson) to recognize the fragility of Atlantic Canada in his upcoming Budget and ask him not to impose austerity measures which, coupled with high interest rates, will destroy that which we have achieved in the past four years.

* * *

EXTERNAL AFFAIRS

EL SALVADOR AND GUATEMALA—HUMAN RIGHTS ABUSES

Mr. John Brewin (Victoria): Mr. Speaker, the people of Central America continue to serve on the front lines of the struggle for social justice.

As you may be aware, in El Salvador last night treasury police officers entered an office of an organization involved in refugee settlement and detained approximately 50 peace brigade workers, among them an Australian woman and her three-month old baby.

In Guatemala, the human rights abuses continue. It is into this atmosphere that four members of the RUOG the Guatemalan opposition, have re-entered Guatemala in order to participate in a national dialogue to bring about peace.

I ask the Secretary of State for External Affairs (Mr. Clark) to make it clear to both Governments the importance that this country places on human rights in that region, in particular to condemn the action of the treasury police in El Salvador, and in Guatemala to give clear assurances that the rights of the four members of the RUOG will be preserved.

S. O. 31

[*Translation*]

REGIONAL DEVELOPMENT

PERFORMANCE OF HURRICANE GROUP OF AMOS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Harricana group of Amos is taking on the automobile subcontracting market and wants to increase its forestry equipment exports to Latin America and Asia.

The Arcand brothers are also interested in investment opportunities in Chile, which is undertaking a major forestry development program.

Last year, sales of the Harricana group amounted to $41.2 million, up 74 per cent from the previous fiscal year.

Mr. Speaker, Canadians and Québecers should watch the performance of the Harricana group managers and employees in Abitibi.

* * *

[*English*]

MEMBERS OF PARLIAMENT

HOUSEKEEPING RESPONSIBILITY

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, last year some Members of the House and the RCMP were made aware of circumstances concerning alleged breaches of trust with respect to House of Commons budgets and funds.

Another Member of the House has now been charged with Criminal Code offences and it is essential that we in this House assure to the accused a fair hearing and that innocence will be presumed until then.

However, every healthy institution, and in particular the institution of this House of Commons, must have the means of assuring its own good order and discipline. Even a local hockey team has the means of applying order and discipline in its organization.

Initiatives to deal with such matters are met by Government statements in sequences such as: "Under police investigation," "sub-judice" and, after the trial, "The matter is closed".

We, the Members who sit in arguably the most powerful institution in this country, are seen by our voters to be totally impotent.

The subcontracting out to provincial courts of serious matters such as these detracts from the strength and honour of the House and its Members.

I respectfully suggest that the burden of such housekeeping lies with the Members here. Whether such business constitutes a matter of privilege or simply doing the work we are paid for and sworn to do, the voters of my constituency and of the country will not want to be stonewalled for another three years.

* * *

YOUTH

CO-OPERATIVE EDUCATION FUNDING PROVIDED BY FEDERAL GOVERNMENT

Mr. John E. Cole (York Simcoe): Mr. Speaker, I want to announce today on behalf of my colleague, the Hon. Minister of State for Youth (Mr. Charest), the approval of $9 million to advance more than 50 co-operative education projects across Canada. This amount is added to the $26 million that has supported 193 projects since 1985.

Co-operative education is an academic plan that formally integrates a student's classroom studies with work experience in appropriate fields.

The principle of co-operative education was first adopted in Canada in 1957. Since then, co-operative education has grown gradually and spread to both universities and colleges in various regions of Canada.

With the introduction of the Canadian Jobs Strategy funding by Employment and Immigration in 1985, co-operative education has experienced accelerated growth. Today there are 38,000 students enrolled in co-op programs in 75 post-secondary institutions.

Co-operative education will play an important role in the future development and adaptability of our workforce. It is a well suited mechanism to assist young Canadians in preparing themselves for the workplace of tomorrow.

Co-op education serves as a major bridge between the classroom and the world of work. Our Government is committed to programs that ease the school-work transition.

Our support for co-operative education illustrates our Government's commitment to the human resources strategy and the training measures announced on April 11, when the Government brought forth its labour force development strategy.

Most important, we see our support of the co-op education movement as an investment in people that will pay valuable dividends in the future.

* * *

CANADA POST CORPORATION

OPPOSITION TO POSSIBLE PRIVATIZATION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, Canada Post is cutting its ties with the Canadian people and moving silently toward its ultimate goal, the complete privatization of the postal system.

The evidence is clear and overwhelming. Late last week the Post Office in Port Coquitlam, British Columbia, removed the Canadian flag flying over its two postal operations and replaced it with Canada Post's own ugly grey corporate flag. This has been repeated in Winnipeg and Halifax and is spreading across the country.

At the same time Canada Post has adopted a new logo. Look at it. It removes the name "Canada" from the very presentation at the post office. Canada Post, not "Mail/Poste", must remain a Crown corporation. It must continue to be accountable to the people of Canada. It must continue to provide satisfactory services to all areas of the country, and it must continue to fly the Canadian flag at every location in every community in this wonderful country.

* * *

[*Translation*]

CITIZENSHIP

NATIONAL CITIZENSHIP WEEK

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, April 16 to 22 is National Citizenship Week. If some people wonder exactly what we are celebrating in National Citizenship Week, it may be because their citizenship seems as natural to them as being born; they became Canadian citizens at birth without even realizing it.

I believe that our fellow citizens who were born in other countries are perhaps in a better position to appreciate what Canadian citizenship really means.

Canada has rightly been called the world's first international country. We owe this reputation to our respect for the various cultures in our society.

National Citizenship Week no doubt gives us the best possible opportunity to reflect on how lucky we are to be citizens of Canada and to live in one of the most beautiful countries in the world, a land of democracy, peace and freedom.

* * *

[*English*]

THE MEDIA

COVERAGE OF ABORIGINAL PEOPLE'S EDUCATION FUNDING CAMPAIGN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Government has found a powerful ally in its indifferent and insulting treatment of native students and the native community. It is the media.

The media, like the Government, pretends that a new policy to deny natives full access to education is inconsequential, when it should be front page news.

The native community's peaceful but powerful demonstration against this outrage has received little attention.

Post-secondary education is essential for native people to have access to employment, to develop future leaders, to promote independence and self-government. Increased investment in education will reduce welfare costs, imprisonment, and the tragically high rate of native youth suicide.

The Government and the media pretend not to hear the outcry from native people who are fighting for their future.

I call on the Government and the media to recognize the voice of the native community and support the obligation of Government to provide full access to education.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SITUATION IN LEBANON—CANADA'S ROLE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, this morning, the Minister for External Relations (Mrs. Landry) commented on the situation in Lebanon. I think the Government should take advantage of the unanimous feeling in the House now that Canada is a member of the United Nations Security Council to take a determined stand and urge the United Nations to put pressure on all warring parties in the Middle East, in order to put an end to the situation in Lebanon and get rid of all

foreign troops in that country. I think that Canada now has a good opportunity to take this initiative and that Canadians of Lebanese descent realize that the Canadian Government is concerned about this problem in the Middle East and that it wants the Lebanese to live in safety and peace, in their own homes.

* * *

• (1410)

[*English*]

PAROLE

OPPOSITION TO EARLY RELEASE OF DANGEROUS OFFENDERS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, each of us in this House has recently read about dangerous criminals who, while on parole, commit violent crimes. These unfortunate and despicable incidents occur all too frequently. These crimes could be avoided if the Canadian parole system regulations were toughened. We must prevent the early release of dangerous offenders who have committed senseless and brutal crimes.

My constituents have expressed their disgust at the persistence of these unnecessary and tragic offences. We must all take responsibility and work toward a system in which dangerous offenders are not allowed to repeat their violence.

I call upon the Solicitor General (Mr. Blais) to review immediately and tighten up the regulations so that all Canadians are better protected from violent and dangerous offenders.

* * *

NARCOTICS

COCAINE USE IN ONTARIO

Mr. John Nunziata (York South—Weston): Mr. Speaker, there is a lethal epidemic sweeping the Province of Ontario, one that is fast becoming a national tragedy. The epidemic I am referring to is the use of cocaine and a cocaine derivative called crack.

A recent report from the Centre of Forensic Sciences stated that a total of 95 deaths in Ontario last year involved cocaine—nearly five times the 20 deaths recorded in 1985. These figures provide graphic evidence of the increase in human wastage due to drug abuse.

The figures tell another story as well. Many of the recent deaths have been attributed to pure or nearly pure cocaine hitting the drug market.

According to Metro Toronto Drug Squad intelligence, cocaine purity is up and prices are down. A gram of the drug now sells for between $100 and $150, half of what it sold for in 1985.

These figures tell me that we are losing the war against drugs, especially the battle against cocaine. The extent of the problem can best be illustrated by the fact that for the first time in the history of the Metro Toronto Police cocaine busts outnumber arrests for marijuana. So far this year, 824 seizures of cocaine have been made compared to 520 of marijuana.

With the phenomenal rise in cocaine use, can the drug wars be far behind? I urge the Government to step up its campaign against drugs before Toronto becomes Washington North.

* * *

ABORIGINAL PEOPLES

FUNDING OF POST-SECONDARY EDUCATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, years ago when I was going to high school in Thunder Bay, I rode the bus with a number of young native people of my age from the Fort William Indian Reserve. None of those young people made it through to grade 13.

Last fall during the federal election campaign when I had the opportunity to speak to the first of what has become many rallies at the Indian Affairs office in Thunder Bay, I was very, very pleased to see in the crowd not only the children of those people with whom I went to school going to university and college but their parents going back to school as well. That was the result of the old E-12 guidelines that allowed full access by aboriginal peoples to post-secondary education.

I call on the Government to give these people the chance they want and deserve for their future. Suspend the current guidelines, give them a year to negotiate and develop a program that will meet everyone's needs, particularly those of the aboriginal peoples.

ENVIRONMENTAL AFFAIRS

CAMPAIGN TO CLEAN UP HAZARDOUS WASTE SITES

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, Canadians across Canada are pleased to know that the Government is committed to protecting the environment.

The Minister of the Environment (Mr. Bouchard) in this House, along with his provincial counterparts, has established a five-year fund to clean up hazardous waste sites in Canada. Some $250 million will be available to cover the cost of cleaning up sites, the owners of which are not known. In cases where owners can be found, they will be forced to pay the clean-up costs.

I am of course very pleased with this new development in the fight against dangerous material, whether it be on the ground or in the air. Acid rain has been one of my causes throughout my career in the House.

The diplomacy the Minister has demonstrated in getting the provincial Ministers to agree has given me hope that we will soon have more agreements that are honest attempts at solving these very difficult problems.

* * *

AGRICULTURE

EFFECT OF FREE TRADE AGREEMENT ON FARMERS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I wish to bring to the attention of the Deputy Prime Minister and part-time Minister of Agriculture (Mr. Mazankowski) an article that was in *The Toronto Star* a few days ago saying that firms are telling staff to shape up or lose jobs to free trade. The food conglomerate H. J. Heinz Company of Canada has said that it will find it necessary to move to the United States. In fact, a person from Nabisco Brands Limited, Ray Verdon, has said that he advised firms to cut costs, for example, by using potential U.S. sources as low-cost suppliers.

I stand today to call on the Deputy Prime Minister to do the right thing, to bring in programs to help farmers who are adversely affected by free trade.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

CHANGES TO SYSTEM—EFFECT ON NEWFOUNDLAND AND BRITISH COLUMBIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Employment and Immigration I will put my question to the Prime Minister. I have listened carefully, as have Hon. Members of the House, to all of the Minister's answers.

The Minister tells us that a cut of $800 million in direct benefits going to the unemployed is not really a cut.

She tells us that the training programs she has announced will not come into effect for four years, according to her paper, but somehow magically they will be in full effect next year.

She tells us that money spent on training people with jobs is actually training people without jobs.

Let me ask the Prime Minister about another one of the Minister's far-fetched statements. How can the Minister for International Trade, in his press release of April 11, tell the people of Newfoundland that they will receive $30 million less under the new program while the Minister for Employment and Immigration has said repeatedly in this House that the people of Newfoundland will receive $15 million more under the program?

Will the Prime Minister at the same time be good enough to tell us, since the Minister has been so precise—erroneously—about the people of Newfoundland, how much the people of British Columbia will receive next year? She gave us a precise figure for Newfoundland. Perhaps the Prime Minister can give us a precise figure for British Columbia.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the reform we announced last week is primarily aimed at getting Canadians to work. We want Canadians to have jobs. We are giving them the kind of training they need to respond to new needs. Since 1984, training has been the cornerstone of our employment strategy, and it works: 1.15 million jobs have been created since 1984!

Mr. Turner (Vancouver Quadra): That is not an answer, Mr. Speaker.

[*English*]

UNEMPLOYMENT INSURANCE FUND—AMOUNT OF EXPENDITURES

Right Hon. John N. Turner (Leader of the Opposition): Let me put another question to the Prime Minister because he has been listening to the Minister of Employment and Immigration just as I have. I am sure he has been listening carefully.

The Minister said that the overall amount in the Unemployment Insurance Fund remains the same. She also said in the House that women will now receive more money. She said that men will receive more money. She said that younger workers will receive more money. She said that older workers will receive more money. She said that visible minorities will receive more money, and urban centres will receive more money, and rural communities will receive more money. She said all of that in the House of Commons.

• (1420)

I want to ask the Prime Minister, if the amount of money remains the same, as his Minister insists, and all those people listed in the House receive more money, who is going to get less?

Would the Prime Minister ask his Minister to produce the document so we could have a balance sheet of who gets more and who gets less?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the people in the regions that I represent will get more: more programs and more training. The reform we announced last week is designed for the labour force and was introduced in response to the various committees that came to see us and deplored the fact that the Unemployment Insurance Program was too passive. We have made it an active program, and the Canadian worker will be the winner in this process. We must put a higher value on work and that is what we are doing.

REQUEST THAT FINANCIAL DATA BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): At the personal level, Mr. Speaker, I have a great deal of respect for the Minister, but in the absence of her colleague, the Minister of Employment and Immigration, and especially because the Prime Minister refuses to answer my question, I will put a question to the Minister.

The policy followed by her colleague, the Minister of Employment and Imigration, seems to be the following: Every time there is a provincial election, she says that that particular province is going to receive more money. When there is no election, as in Québec at the present time, the Minister does not know how much money the province is going to get. My question to the Minister is therefore this: If her colleague is able to give me erroneous figures for Newfoundland, would she give me some figures for Québec? Who will end the suspense? Will she give us the documents today that will tell us who is going to get more and who is going to get less? Can she produce a document here in the House to clarify the situation?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I would like to set the record straight. Last week we announced our Government's policy. I would also like to say that elections will be held in Québec, perhaps very shortly. The reform we announced is part of an ongoing consultation process with the provinces, something we did not see very often before 1984. When it is time to disclose the figures, we will announce them, as is customary, before the legislative committee.

* * *

[*English*]

TRANSPORT

ATLANTIC FREIGHT ASSISTANCE PROGRAM

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is directed to the Minister of Transport. Industry has developed in the Atlantic region over many years with the help of the Atlantic Freight Assistance Program. It is absolutely essential for the manufacturers and the producers in Atlantic Canada. In my Province of Prince Edward Island hundreds of jobs depend on this program.

Can the Minister assure the House that this program will not only be maintained but improved upon even after April 27?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, indeed I cannot give that assurance, in the same manner that I could not give any assurance this week to the colleague of the Hon. Member.

However, everything that deals with that issue will have to be answered within the process the Hon. Member has referred to, that is the Budget on April 27.

IMPORTANCE OF PROGRAM TO PRINCE EDWARD ISLAND

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary question is directed to the same Minister.

How many more times will the axe fall on Atlantic Canada? Our potato producers, our food processors, our fish processors, and other Island exporters need to know what the Government has in store for them right now.

Can the Minister assure the House that Islanders, and Maritimers in general, will not suffer reductions to the Atlantic Freight Assistance Program in the future?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I can only repeat what I said earlier and at various times in the past namely that I think the people of Canada, and particularly the people of Atlantic Canada, are very proud of the achievements by the Conservative government in the past four years, which cannot be compared to what was done before.

However, I have to say this: We will continue to act as a responsible government. With regard to the policies you were refering to, the Minister of Finance will answer your questions of April 27.

* * *

[*English*]

ABORIGINAL PEOPLES

POST-SECONDARY EDUCATION – REQUEST FOR POSTPONEMENT OF NEW GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Prime Minister. In March of this year the Minister of Indian Affairs and Northern Development announced a new program for post-secondary education for aboriginal Canadians.

The Minister reiterated in the House yesterday that this program will be put in place on September 1. It is in place already, but it will be carried forward, including the new term, starting in September of this year.

Without exception aboriginal Canadians from one coast to the other have condemned this process, and have appealed directly for a withdrawal of the September 1 deadline, in order that on a bilateral basis a new comprehensive program could be agreed to.

Given his previous commitment to aboriginal Canadians, will the Prime Minister now intervene on their side and say no to the September 1 deadline imposed by his Minister?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I have indicated on numerous occasions, I am prepared to enter into the bilateral process in order to review the guidelines that will come into effect on September 1.

I was also very pleased to learn that the Standing Committee on Aboriginal Affairs has decided to review the policy. Obviously, I will be appearing before that committee.

I also welcome the opportunity of discussing with my House Leader the possibility of entering into a debate on an opposition day as early as tomorrow.

REQUEST FOR EMERGENCY DEBATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to pick up on the last point made by the Minister, and return to the Prime Minister or to the House Leader.

Earlier this day Your Honour ruled against an emergency debate, adhering to the rules, but indicating that there might be another moment to discuss what the Speaker himself has called an important matter.

I would like to ask the Prime Minister, or the House Leader, in view of what the Minister has stated, will they agree that, when we reach Orders of the Day this afternoon, to debate this important matter this afternoon, which we can do in the House by common agreement?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, as my hon. friend the Minister has indicated, the Government is prepared to allocate a day, preferably tomorrow, wherein a debate on this important matter can take place, with the motion properly framed. This will give our colleagues the time this evening and tomorrow morning to prepare for the debate. We would welcome such a debate.

Mr. Broadbent: Mr. Speaker, we too would welcome that debate. I suggest that it would have been preferable

to be able to use some government time, but that does not matter as long as the occasion arises for the debate to take place. The important thing is for the Government finally to attempt to defend an indefensible policy, and to do it in the House of Commons.

[*Translation*]

REQUEST THAT PRIME MINISTER MEET STUDENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question is for the Right Hon. Prime Minister.

Native students have stated that they want to talk directly with the Prime Minister. Does the Prime Minister agree to talk with the students affected by this program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the Minister responsible is handling this issue with great openness and, I trust, generosity to our native people, as he should.

However, his requirements are minimal. He says that his door is wide open. Furthermore, he meets with native leaders on a regular basis. He met with some students and he says that his door is wide open to receive the delegations. On the other hand, he asks that they end their hunger strike. That does not seem too much to ask. And the reason for my optimism, once the strike is over, are the measures that the House has approved in the last four years.

This program that is so important for our future native leaders was increased from $53 million in 1984 to $130 million this year. The number of native students eligible for this program has increased from 8,000 in 1984 to 15,000 this year.

I think that this program was endorsed by all parties here in the House of Commons. It is an indication of our general position in favour of native young people. We want to do more.

And the Minister has shown not only great leadership but also generosity toward the native leaders in order to put an end to this tense situation as soon as possible and to do more in future.

• (1430)

[*English*]

HEALTH

THALIDOMIDE—TASK FORCE REPORT—COMPENSATION FOR VICTIMS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of National Health and Welfare. He will know that the report of the Thalidomide Task Force is both a comprehensive and a demonstrative document which outlines the extraordinary needs of some 120 courageous young men and women. The Minister will also know that these individuals face enormous difficulties in education, transportation, career related matters, and in a host of health related issues.

Would the Minister indicate to the House when he will be announcing a compensation package which has been sought for many years by these victims and by those individuals who have ably represented them over the years?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for his question on a very important matter.

I had the opportunity to meet with the members of the Thalidomide Victims Association. I do not think anyone who met with them would be anything but struck by the sincerity of their condition and also the seriousness of it as well.

The Government is currently considering the request that has been made. There have been a number of requests that have been made for extraordinary payments to people who have been damaged in a number of different ways through medications and through other procedures. We are considering those, and when we have an announcement to make we will be making it.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the same Minister. I remind him of a quote from a statement which was made by a former Minister in the Diefenbaker Government. On January 29, 1963, the Hon. J. Waldo Monteith said:

> It is our job to ensure that thalidomide victims are cared for in the best possible manner, that their needs are met to the fullest extent we can devise and to ensure, as much as possible, that a similar tragedy will never occur again.

I ask the Minister, not on the grounds of legal precedent but on the grounds of a moral obligation on the part of the Government of Canada, will he come forward quickly and announce a compensation package, not in six months, not in nine months, but will he indicate a date of a possible announcement for a compensation package for these survivors?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, this tragic circumstance occurred back in the early 1960s. The Thalidomide Task Force Report was received on February 14. We have been studying it very actively since then as we have been studying other requests for extraordinary payments in cases where people have been suffering.

An Hon. Member: Look at it on its merits.

Mr. Beatty: The Hon. Member shouts across the floor "look at it on its merits". That is precisely what we are intending to do.

Mr. Nunziata: Don't be patronizing.

Mr. Beatty: We want to ensure that in any action taken all people with cases to make are treated fairly and equally.

* * *

IMMIGRATION

LEBANON – PLIGHT OF REFUGEES – CONSULAR SERVICES IN CYPRUS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for External Relations. It concerns the deteriorating situation in Lebanon which is producing a flood of very desperate refugees in record numbers.

This morning the Minister announced that a single immigration officer will be sent to Cyprus to facilitate applications to Canada. However, with all due respect, I suggest to the Minister and the Government that that does not come close to meeting the magnitude of the problem.

I ask the Minister, given that people cannot be expected to travel safely to Damascus, Syria, where we have a full consular operation, and given that one immigration official in Cyprus will not come close to meeting the flood of applications that can be expected, will the Minister, at least on a temporary basis, establish a full and proper immigration consular operation that will be capable of meeting the demand, instead of placing one person in an untenable situation?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Indeed, Mr. Speaker, an External Affairs official was sent to Cyprus. And very special steps have been taken so that no one is sent back from Lebanon until further notice. As my colleague said yesterday, the government put a stop on April 6 to the removal of people to Lebanon. Immigration services are provided and, of course, any organization, any individual can, under the special program, sponsor a Lebanese relative at his or her request. Special steps have therefore been taken. We are closely monitoring the situation and we can give people the assurance that we will take the humanitarian stance for which Canada is well knoun.

[*English*]

UNITED NATIONS HIGH COMMISSION ON REFUGEES – REQUEST FOR EMERGENCY MEETING

Mr. Sergio Marchi (York West): Mr. Speaker, I appreciate the special program on this side of the ocean where we try to sponsor people from here, but the problem is not in Canada. The problem is on the other side of the world where people cannot make their way to Damascus; and one person in Cyprus, with every respect, does not come close to the reality and the emergency of the situation.

I ask the Minister to reconsider her stand. I further ask the Minister, given that my colleagues earlier this week have asked for leadership by this Government at the United Nations, and given that the United Nations' High Commission on Refugees has only a skeleton staff of three people in Lebanon to deal with the flood of human misery, will the Minister give the House her undertaking that she will ask the UNHCR to convene an emergency meeting in order to try to reinforce this commitment in Lebanon, so that an international commitment can address this human tragedy, and so that other countries will be encouraged to try to land people who are desperate and needy?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, in addition to the special steps I referred to earlier, mention must be made of our cooperation with the Red Cross and the substantial sums of money that were sent to help the victims of strife in Lebanon. Obviously, such situations are regrettable and the Canadian government will do everything it can.

[*English*]

ABORIGINAL PEOPLES

INDIAN HEALTH SERVICES

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is for the Minister of National Health and Welfare.

We hear a lot of soothing talk about the Government's generous approach to Indian education, and its sensitivity to the needs of Indian people. Why is the Minister cutting and capping funding for community education programs for Indian health workers and Indian alcohol counsellors on Indian reserves across Canada?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, we have extensive programs to provide assistance in the whole area of health and in the whole area of dealing with problems related to alcoholism and other things. This is a program that we feel is important and we intend to continue it.

Mr. Funk: Mr. Speaker, it seems that somebody might have told the Minister that he looks cute when he dances.

Some Hon. Members: Oh, oh!

TRAINING OF COMMUNITY HEALTH REPRESENTATIVES

Mr. Ray Funk (Prince Albert—Churchill River): I have some specific questions, Mr. Speaker. Why is the Minister not providing any funding at all for the training of the 538 community health representatives on Indian reserves? Why has he eliminated funding for 839 alcohol and drug abuse counsellors, and why is he abolishing completely the National Native Council on Alcohol and Drug Abuse on June 15 without anything to take its place?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, we have extensive programs designed to deal with the problems of alcoholism and drug abuse. It is a priority for us. Indeed, in the Speech from the Throne we indicated that in the whole area of drug abuse the Government would be enhancing its efforts.

We are committed to operating in this area. We have obligations particularly in the area of native health, and the Hon. Member should be supportive of those efforts.

* * *

• (1440)

AGRICULTURE

SASKATCHEWAN—PROVINCIAL SUBSIDY TO BEEF PRODUCERS

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is directed to the Minister of Agriculture. The Premier of the Province of Saskatchewan, who is also the Minister of Agriculture, said this week that he will pay the Saskatchewan beef producers $2.5 million in subsidy in addition to the red meat tripartite program payments. This is contrary to that federal-provincial agreement. It has angered beef producers in Ontario and Alberta, as well as the Canadian Cattlemen's Association. What is the Prime Minister prepared to do about the breaking of the rules of this agreement?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member raises a very important point. In fact, he is correct in his assertion.

We have had some discussions with the Minister of Agriculture, the Premier of Saskatchewan, in an attempt to resolve this particular issue. It seems to have occurred as a result of some misunderstanding with respect to the application of the bridging agreement.

I am confident that it can be resolved so that the general phasing down of provincial subsidies in conformity with the establishment of a level playing field right across the country will be achieved. Those discussions are going on.

Mr. Vanclief: Mr. Speaker, I am sure the beef producers in the rest of Canada look forward to that action by the Minister. They will be disappointed if it does not happen.

ONTARIO—LATE RECEIPT OF DROUGHT ASSISTANCE FORMS

Mr. Lyle Vanclief (Prince Edward—Hastings): The deadline for the return of Canadian Crop Drought Assistance forms for Ontario was March 15. As many farmers in Ontario were still receiving the forms as

recently as last week, what assurance will the Minister give to the producers in Ontario that their forms will be honoured? How does he propose to notify these farmers that that will happen? Some are not even sending them in since they received them some 30 days after the deadline, which is outlined very clearly on the form.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the deadline that we put on the forms were for applications that were sent out automatically without producers requesting them.

The Hon. Member should tell his constituents that we are going to honour every form that is sent in as long as the process is under way. We are going to be making every effort we can to continue with interim payments as long as it is practically possible and as long as it does not interrupt the process so that it delays the final applications.

This program is designed to be fair. We are going to do everything we can to accommodate farmers when they send in their requests, no matter when we get them, as long as that does not interfere with the over-all operation of the program and does not jeopardize everybody's ability to receive the money as quickly as we can get it to them.

* * *

TELECOMMUNICATIONS

LONG-DISTANCE SERVICE COMPETITION

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Communications. Rogers Cable admits its investment in CNCP is the first step toward competing in Canada's long-distance telephone market. Given that most Canadians know that long-distance competition favours big business, not the little guy, will the Minister assure Canadians that his Government supports affordable phone service across the country? Will he reject a national policy of long-distance competition if it raises local rates and cuts a lifeline for a grandmother who cannot afford to pay?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, several years ago, the Government announced its policy on that issue which involves universality among other things. Now, if some groups want to get in touch with the CRTC, that Commission has the legal authority to answer the Hon. Member's questions.

[*English*]

AFFORDABLE TELEPHONE SERVICE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my supplementary question is addressed to the same Minister. A Manitoba Government official said today that local rates there could jump by as much as 50 per cent under the Rogers plan. Given that this could happen in many parts of the country, which would be a disaster if it did, will the Minister assure Canadians that rather than blind faith in telephone competition his national priority is affordable telephone service for all Canadians?

[*Translation*]

The Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure the honourable member that Canadian telecommunications policy is being set and shall continue to be set in the interest of Canadians.

* * *

[*English*]

NATIONAL DEFENCE

CFB GOOSE BAY—LOW-LEVEL FLIGHTS—TREATMENT OF INNU PROTESTERS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, yesterday I asked a question of the Right Hon. Prime Minister having to do with the future of Innu protesters in Labrador. At that time the Prime Minister tried to fob off the question by pretending that this is a matter of provincial jurisdiction and that it is not really something about which he ought to be concerned.

I presume that the Prime Minister will know that since I asked him that question 75 Innu natives who went to the Canadian Armed Forces Base to present a letter peacefully were rounded up by the military police who are employees of the Government of Canada, the federal Government, the Government which the Prime Minister leads.

Is the Prime Minister now prepared to take his responsibility as the Prime Minister of the federal Government and to intervene in this matter to bring an end to the low-level flight testing, to declare the moratorium that people have been asking for, and to reach the negotiated settlement with the Innu that the court judgment of the other day recommends and that many people have been recommending to the Government for many years now?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, as was said yesterday, the Government is obviously reviewing the decision. As yet we have not heard from the Province of Newfoundland with respect to its wishes.

With respect to the base at Goose Bay, yesterday, indeed, about 75 Innu went to the base. They presented their letter to a member of the Armed Forces. We have received that letter. It has been distributed to all the commanders. They were escorted off the base, as we have to ensure that our property and our personnel are properly secured. No arrests were made and no charges were laid.

OWNERSHIP OF PROPERTY—SETTLEMENT OF ISSUES

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, of course what is in dispute here is whose property we are talking about. It is the Innu who have a counterclaim as to whose property we are talking about, something which ought to be dealt with before there is any more low-level flight testing, or before the Government pursues its plan to have a NATO base in that area.

Yesterday I asked the Prime Minister particularly with respect to the low-level flight testing. I hope he will have the courage to get up to deal with this question—

Some Hon. Members: Order!

Mr. Blaikie: —instead of fobbing it off to one of his Ministers. Yesterday, he fobbed it off on to the provinces. Today, he will not even stand up to answer the question.

Some Hon. Members: Order!

Mr. Speaker: Perhaps the Hon. Minister would want to respond.

Mr. Blaikie: The question is coming, Mr. Speaker.

Mr. Speaker: The Hon. Member will put his question.

Mr. Blaikie: Mr. Speaker, will the Prime Minister tell the House to what forum he was referring when he said that the matter of low-level flight testing will be dealt with in an entirely different forum? Should that not be a forum in which the interests, the concerns and participation of the Innu people are involved?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, first, I would like to draw to the attention of my hon. colleague—

Mr. Blaikie: I didn't ask you. I asked the Prime Minister.

Mr. Andre: That is why you should not have let him speak. You should not have given him a second chance.

Mrs. Collins: The Hon. Member had some time to ask his question—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mrs. Collins: Mr. Speaker, I think that this is an issue which should be dealt with in all seriousness.

Mr. Blaikie: By the Prime Minister.

Mrs. Collins: I am sure my hon. colleague would like to listen to a response to his question.

As he knows, of course, low-level flying has been taking place for over 25 years in the Goose Bay area. In 1986, my predecessor established in conjunction with the federal Minister of the Environment, a federal environmental review process. This is a process by which we can determine the facts, the facts of what the environmental and the social and economic implications of low-level flying may be in that area. That process is ongoing. The environmental impact statement is being prepared.

Mr. Blaikie: Stop until it is completed.

Mrs. Collins: Indeed, the Inuit have submitted—

Mr. Blaikie: The Innu, not the Inuit.

Mrs. Collins: The Innu have submitted their impressions and their understanding of the environmental impact assessment. Hearings will proceed this fall. They will be full public hearings. That will be the forum, the very forum which my hon. colleague asked for, in which a full discussion can take place and in which rational decisions can be made to come up with a conclusion.

Some Hon. Members: Hear, hear!

* * *

• (1450)

[*Translation*]

MINORITIES

QUERY WHEN MINISTER WILL MEET WITH ALBERTAN FRANCOPHONES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Secretary of State. Last year, Alberta and Saskatchewan passed bills repealing minority language rights in those provinces. We know that Saskatchewan signed a memorandum of understanding with the Federal Government to try and compensate a little for the harm done to its minority by that bill. Alberta Francophones have been trying for

some time to meet with the Secretary of State, who is responsible for promoting and protecting minorities. When will the Secretary of State meet with these people to discuss an agreement between Alberta and the Federal Government which would help them survive in their own province?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, it will be a pleasure to accept the organization's development plan today. I will review it with my staff and officials from my Department. I will then be happy to meet with Mr. Arès to discuss the final development plan. Those who know me are aware that I am always available to meet with groups. Since my nomination, I have met with the Société franco-manitobaine, the *Fédération des francophones hors Québec*, Alliance Quebec and, on Saturday, I will meet with French-speaking residents of British Columbia.

[*English*]

MINORITY LANGUAGE RIGHTS – REQUEST FOR FEDERAL – PROVINCIAL CONFERENCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I thank the Minister for that answer. You were going to jump over Alberta going to B.C. Now that you are going to stop over, I am happy to hear that.

I want to ask the Prime Minister a question. We have a serious question in Canada dealing with minority language rights in our provinces. We know that there is a crisis in many provinces at this time. I have asked, and the Liberals have asked, before for a conference of the Premiers of this country to discuss the distressing situation of some minority groups in Canada. I am wondering if the Prime Minister read the Official Languages Report. The Commissioner recommends a Royal Commission, or at least a federal-provincial conference, on that question, to settle once and for all the future of minority rights in this country. Will he accede to that request, not from us, but from the Official Languages Commissioner, and call a federal-provincial conference on that question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend referred to the comments of the Commissioner of Official Languages. Indeed, on April 7, the Commissioner wrote to the Government saying that, "The new Act for which the Government was responsible is eloquent testimony of your Government's commitment to greater linguistic harmony and equality".

That commitment is of course the position of the Government of Canada, and I know it is the position shared by all Parties in the House of Commons.

There are challenges facing minority language groups across the country which vary from province to province. We have a large French-speaking minority in the Province of Ontario, an English-speaking minority in the Province of Québec, and so on. I had occasion on April 14, 1988, in the Province of Saskatchewan and in the presence of Premier Devine, to make a comment dealing with precisely this issue. I think it would perhaps answer my hon. friend's question, and I ask for his indulgence to respond in the same way.

Saskatchewan is 97 per cent English speaking. Let us assume that the population were 97 per cent French speaking in Saskatchewan. How would you want them to be treated? What rights would then be fair for the English-speaking minority in Saskatchewan? I suppose that you would want the rights in regard to the courts, the legislature, in regard to schools, all the rights of Canadian citizens.

If you want to understand how you should deal with minorities, ask yourself what it would be like to be in the position of a linguistic minority and treat that minority with all of the generosity that you would want extended to yourself.

That is my position, and that is the position of the Government of Canada, and I believe it to be the position of all Members of this House.

Some Hon. Members: Hear, hear!

* * *

DEPARTMENT OF ENERGY, MINES AND RESOURCES

EXPENDITURE ON BOOK

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. His former Minister of Energy collected an Oscar. I guess he now wants to go for a Pulitzer.

I want to ask the Prime Minister whether he is not a little bit embarrassed about $191,000 of taxpayers money being spent on a coffee table item at the same time as the Minister of Energy is sending out lay-off notices to 110 scientists who are working in renewable energy resource in this country.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member makes a point of the publication of a book—a French copy and an English copy. I repeat to her that in the past Governments have published books as well in respect to government policy. For example, I remember receiving from the former Government a copy of a book on the Constitution. So what I am saying—

Some Hon. Members: Oh, oh!

An Hon. Member: Get serious.

An Hon. Member: You are making a fool of yourself. Sit down.

Mr. Epp: So what I say to the Hon. Member is that the book has been published. The Government of Canada has purchased a certain number of books for part of the delegate package for the World Energy Conference in Montreal in September of this year. Additionally, that book is available at various bookstores across the country.

[*Translation*]

MINISTER'S POSITION

Mrs. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Prime Minister to please tell his former Minister, who sees himself as the new Napoleon, Little or Great—excuse me, Mr. Speaker—

Some Members: The Sun King!

Mrs. Copps: —to end his delusions of grandeur, that he is not in Hollywood any more.

How dare he ask Canadians to consent to sacrifices from April 27 onward when his own Minister has his portrait enlarged at the Canadian taxpayers expense?

How can he justify such abuse on the part of the so-called Napoleon the Little or the Great?

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I really have nothing more to add from my first answer, other than to say that there are some people who are interested in the area of energy related to the publication. As I have said, we will make that book available to delegates to the World Energy Conference.

Ms. Copps: You are laying people off.

Mr. Epp: I am saying to the Hon. Member that it was not long ago here in this House that there was a strong push from the Opposition that we make more moneys available to Canadian publishers and to Canadian artists, and that has been done.

Some Hon. Members: Oh, oh!

* * *

TRADE

EXPORT TAX ON TREE BASKETS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is to the Right Hon. Prime Minister. This Government has made much of the benefits of the trade deal entered into between Canada and the United States. Both during the election last fall and in this Chamber since, the Government has claimed this agreement will produce great benefits for Canadians. However, since the January 1 implementation of the trade deal, we have witnessed job losses in Canada and increased costs to Canadian manufacturers.

An Hon. Member: Speech, speech.

Ms. Langan: One example is a B.C. firm which exports wire baskets used in the transport of large trees that is now required to pay an export tax of 5.1 per cent.

• (1500)

Will the Prime Minister explain how our provincial and Canadian manufacturers can be competitive under the trade deal they are now facing tariffs they did not face before?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism): Mr. Speaker, let me remind the Hon. Member that as a result of the Free Trade Agreement tariffs between Canada and the United States will be totally eliminated in 10 years. When they are gone we will also find that GATT tariffs will be coming down extensively as well.

I should tell the Hon. Member that we have had an enormous number of expansions and investment in the last three months alone, including Campbell Soup Company, MTC Electronics in Richmond, B.C., Cargill in High River, Alberta, Rose Works in Belleville, and the list goes on.

Right across the country there are hundreds of millions of dollars worth of expansions as a result of the Free Trade Agreement.

SITUATION OF EXPORTING COMPANIES

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, will the Government assure Canadians that those companies that did not face tariffs before the Free Trade Agreement was in place will receive some attention so that they will not face tariffs today that will make them uncompetitive?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Hon. Member is referring to changes that came through the harmonized tariff reforms. In those reforms the Canadian tariff system was brought in line with the rest of the world. That was long overdue. We also set up a consultation process so that if there was any tariff increase as a result of the harmonized process, a consultative mechanism with the industry would take place in order to determine whether that could be ameliorated in any way.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it being Thursday, I wonder if the Government House Leader would inform Members of the House what the Government's menu is for the next week? Possibly he can give us an indication as to the legislation until next Wednesday at least.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, we will continue debate on Bill C-3, the Bill to establish the Department of Industry, Science and Technology.

Tomorrow will be an opposition day. We would welcome an opposition day debate on the subject of post-secondary student assistance for native people.

On Monday we will continue debate on Bill C-3 to establish the Department of Industry, Science and Technology. That will continue through Tuesday, and once we have finished second reading debate on Bill C-3 we would move to Bill C-8, an Act respecting worker adjustment, and Bill C-9, the Bill respecting bank charges. I think that would take us through until Wednesday afternoon.

Mr. Gauthier: Mr. Speaker, I object strongly to the Government coming into the House and saying there is going to be an opposition day and it would like to participate in a certain debate. The Opposition will decide what the subject will be on that day. I hope the Government will keep its hands out of this business of telling the Opposition what to do. We can handle that, thank you very much. You stick to handling your business; we will handle ours.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Minister, I will recognize the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to raise a point of order under the business question. We agree in principle with the comments made by our colleague from the Liberal Party, that it is not the Government's role to decide what will be the content of an opposition day motion.

Having said that, however, and my Leader having raised with you earlier today the urgent necessity for a debate on this matter, we would be quite prepared as a Party voluntarily to offer one of our votable opposition days—of which we only have two—for the purpose of allowing a debate on post-secondary education. We believe it is crucial that we have such a debate so that we can put all the points on the table and perhaps assist in moving the Government toward the appropriate decision.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Minister, I think these discussions should take place behind the curtain—

Mr. Turner (Vancouver Quadra): Oh, no. That's not going to go.

The Acting Speaker (Mr. Paproski): —if there are any further negotiations to carry on as far as the subject of what is said in the House is concerned. But I will recognize the Hon. Minister.

Mr. Lewis: Mr. Speaker, I understand the problem.

Mr. Turner (Vancouver Quadra): All right—you are not going to try this. You started it.

Mr. Lewis: I was obviously not trying to suggest that the Government has any ability to draft opposition day motions.

Mr. Turner (Vancouver Quadra): Why did you mention it, then?

Mr. Lewis: I was simply indicating the readiness on our part to debate this very important subject, which was the subject of an opposition request for an emergency debate. Obviously one of the Opposition Parties felt it was important enough to call for an emergency debate. That was turned down by the Chair. We understand that. We were simply offering our readiness to debate that very important subject.

Obviously, tomorrow is an opposition day. The Opposition can choose whatever subject it wishes for debate. We are more than ready to meet them on any subject.

Mr. Gauthier: Mr. Speaker, I agree with you thoroughly that negotiations on House business should be done in another place. But the Minister is the one who started the whole ball rolling by doing something which I find not very tasteful on his part, starting by refusing to go along with an emergency debate—

Mr. Lewis: I did not refuse. That is the Speaker's decision and you know it.

Mr. Gauthier: You can call—let me finish. The Government—you let him talk—

The Acting Speaker (Mr. Paproski): I will let you finish. Order, please. The Hon. Member.

Mr. Gauthier: The Liberals in this House have been raising the issue of post-secondary education for native people for the last 15 days.

Mr. Lewis: The NDP raised it. You did not raise it today.

Mr. Gauthier: We have raised it consistently. We raised it today. We are indeed ready to debate that at any time but it is the Government who can order people around here as to what the Orders of the Day will be and has the ability to call a day on its time to discuss a very important piece of business or present corrective legislation. If the Opposition has to come in and criticize the Government for its lack of action on this subject, which we will tomorrow—

Mr. Lewis: You are getting around to it, now.

Mr. Gauthier: We have been asking the Government to suspend the moratorium. The Government has not acted on that. We will call it to task tomorrow.

Mr. Lewis: We made up your mind, eh?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have listened to the charade that the Minister for Indian Affairs and Northern Development (Mr. Cadieux), and the Minister of Justice (Mr. Lewis) tried to parade in the House, in trying to use an opposition day which is usually at the discretion of the Opposition, trying to toss off the fact that we should have had an emergency debate—

Mr. Lewis: You are criticizing a decision of the Chair.

Mr. Turner (Vancouver Quadra): I am not criticizing the Speaker but the Minister of Justice, as House Leader, who could have agreed to it. We brought this issue up for the last three weeks. This kind of cheap grandstanding will cost the Government some co-operation in this House in the next few weeks, I will tell you that.

The Acting Speaker (Mr. Paproski): I suggest that we proceed with Orders of the Day.

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POINT OF ORDER

REVENUE CANADA—STATEMENT ATTRIBUTED TO PARLIAMENTARY SECRETARY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a serious point of order that I believe reflects on the Minister of National Revenue (Mr. Jelinek). In this morning's *The Globe and Mail* his Parliamentary Secretary is quoted as saying that Canadian firms do pay bribes and make kick-backs to make their businesses operate. The article states:

> "It is normal", said Mr. Della Noce—Mr. Della Noce said there is no problem because whatever bribe is claimed as a deduction the Canadian firm or individual must indicate who received it.

It seems to me that this reflects upon the Canadian business community. I would like to know whether this is a reflection of the policy of the Government of Canada. It is a serious issue.

The Acting Speaker (Mr. Paproski): Perhaps the Hon. Member would like to ask that question tomorrow during Question Period.

• (1510)

Mr. Jelinek: I rise on the same point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I do not find it a point of order. It is a point of debate. However, I will allow the Hon. Minister to answer, if he would like to. The Hon. Minister of National Revenue.

Mr. Jelinek: It is incumbent upon me to answer since this accusation is made. If the Hon. Member had continued quoting from the same *Globe and Mail* article, the Parliamentary Secretary to the Minister of National Revenue (Mr. Della Noce) further states: "I don't know where, or when, or how often".

If the Hon. Member is asking for government policy, the government policy stands as it was stated yesterday in the House of Commons by the Minister of Finance (Mr. Wilson) who categorically stated, as published in *Hansard* on April 19, 1989: "That is certainly not the way business is done in this country".

That is the policy of the Government of Canada.

The Acting Speaker (Mr. Paproski): Hon. Members will have noticed what happens when points of order are allowed which should have been part of Question Period and raised earlier today.

I would hope that that is resolved and we can now move to Orders of the Day.

GOVERNMENT ORDERS

[*Translation*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and the amendment of Mr. Langdon (p.724).

The Acting Speaker (Mr. Paproski): The debate is on the amendment of Mr. Langdon.

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as part of today's debate on the Bill to establish the Department of Industry, Science and Technology, I welcome this opportunity to draw the attention of the House to the issue of regional economic development and the role the new Department will play in this area.

In 1984, the federal Government realized that despite the very substantial efforts and monies expended on regional development so far, serious regional economic disparities continued to exist throughout the country.

In the fall of 1986, a new, decentralized approach to regional development was announced in the Throne Speech. This approach consists in correcting the imbalances between regions, stressing the most disadvantaged areas and using the federal Government's scarce resources more effectively. More specifically, and this was a major change, Mr. Speaker, which is reflected in this Bill, programs will be adapted to local circumstances and needs; the regions concerned will be more involved in decision-making; and all local resources will be explored when developing strategies.

On the basis of these principles, new, decentralized initiatives for regional development have been designed, according to the needs of the various regions.

Unlike the formula used previously, the Government's new approach is based on delegation of authority to the regions for the development, co-ordination, and funding of their programs. For the first time, Mr. Speaker, the federal Government has truly established a partnership with the regions. The Atlantic Canada Opportunities Agency is responsible for regional development in the Atlantic Provinces, the Department of Western Economic Diversification covers the four Western provinces, and Industry, Science and Technology Canada is responsible for regional development in Ontario and Québec.

Mr. Speaker, each of these three agencies has received a clear mandate for the development of the region for which it is responsible, for co-ordinating its activities and designing and financing programs adapted to regional needs.

Mr. Speaker, this Bill will complete the process of reorganization that is necessary to implement the objectives of regional development in Canada. Industry, Science and Technology Canada is now establishing an organizational structure, separate from the rest of the Department, that will be responsible for regional development in Ontario and Québec.

In Ontario regional development activities are adapted to the circumstances in the various regions in that province.

Activities include managing current programs for business development, such as FEDNOR, an initiative to promote the development of Northern Ontario; administering the economic and regional development agreement between Ontario and the federal Government; preparing regional development policies and methods for Ontario's subregions; establishing and implementing new programs adapted to the needs of the subregions; and finally, defending the interests of Ontario subregions when national policies and programs are being designed; co-ordinating all federal regional development activities in that province; and monitoring and analysing the development of the economies of the provinces in the subregions.

Among all Canadian provinces, Ontario of course has been enjoying the most prosperous economy in recent years, but this has not always been the case. In 1980–81, for example, Ontario lost 31,000 residents to immigration. In 1986 it recorded a positive immigration of 40,000 people. Regional development assistance must be tailored to that reality, and the need for federal help in terms of regional economic development is much less significant. Still, economically speaking Ontario can be divided into three major regions: the industrial core centred around Toronto and the metropolitan area whose growth these past few years has been the fastest among industrialized nations and whose unemployment rate is certainly half that of other Canadian major urban areas; the centre of Ontario, a much more heterogeneous aggregate of rural and urban regions; and, finally, Northern Ontario whose economy is resource-based, where unemployment has been severe for years, and where personal income is relatively much lower than in other communities.

Mr. Speaker, this is why FEDNOR has been set up to meet the needs of Northern Ontario. It enables the region to take part in the preparation and administration of programs and to be party to the decision-making process.

FEDNOR was given a five-year mandate and a budget of $55 million. It provides financing solely for private sector profit-making undertakings, particularly small- and medium-sized businesses. The amount of financial assistance is geared to projected economic fallouts, viability, risks, credibility, and needs.

FEDNOR's mission is to promote the diversification of the local economy, the on-site processing of natural resources, the development and acquisition of new technologies, as well as the higher competitiveness and productivity of businesses.

FEDNOR has a three-pronged program. The Basic Industrial Program is designed to help Northern Ontario's new and long-established concerns involved in manufacturing, processing or aquafarming or offering repair or other services. It supports projects aimed at establishing, expanding or upgrading various facilities, carrying out feasibility studies, as well as corporate innovation and marketing activities.

The Small Rural Business Assistance Program is for new or existing businesses in the rural regions of Northern Ontario. It is open to people dealing in manufacturing and processing, forestry and aquafarming, as well as to such services as retail sales, wholesales, warehousing, repairs and the like. Applications under this program are also accepted for projects related to the establishement, expansion or upgrading of facilities.

And finally the Loan Insurance Program which provides new or existing companies with loan insurance covering up to 85 per cent of loans made by recognized lending institutions for establishing, expanding or upgrading facilities.

• (1520)

Thanks to these programs, companies in Northern Ontario, especially the small and medium-size businesses, are getting the type of financial assistance they need to stimulate local economic activities which will benefit the people in the area.

Based on local participation and under the direction of an advisory committee made up of 12 local representatives, FEDNOR demonstrates the value of the new decentralized approach of the federal Government in the area of regional development, as well as our goal of partnership with the regions.

The Government and ISTC have also taken an entirely new approach to regional development in Québec.

To be fair and efficient, the new federal programs take into account the fact that Québec is made up economically of two broad groups of regions whose types and levels of development differ considerably.

In spite of a relatively rapid growth over the past few years, economic disparities between most Québec regions and Canada as a whole, but especially Ontario, persist, and in some cases are getting worse. That is why the approach to regional development covers the whole province of Québec.

FIRST of all, there is the industrial sector of Québec which is based in the Greater Montreal area, and covers most of the Southwestern part of the province. This economic region is very well integrated in the North American economy, but is lagging far behind its competitors in the Southwestern area of Ontario and the Northeastern part of the United States. Moreover, the proportion of jobs provided by traditional industries is much higher than in the other areas I have just mentioned.

The second part of the program is aimed at the outlying areas which extend from the East to the North West and whose economy, based on resources, is similar to that of the Atlantic provinces. With the exception of Eastern Québec, these areas have received no special attention under the previous regional development program.

The comparison with other parts of Canada clearly shows the need for special regional development action in Québec, both in the natural resources regions and the central regions.

On June 9, 1988, the federal Government and Québec signed a five year agreement whereby they will invest $440 million and $380 million respectively to promote the economic development of the Québec regions. Moreover, the federal Government has implemented a $40 million program to help the forest industry in Eastern Québec. The federal Government and the province have earmarked each $75 million to refinance the auxiliary agreements over the next year. Also, they have just added to these agreements a special program for Montreal East.

The new agreement for the Québec region development has six major objectives:

> – mobilize the local contractors; –encourage the development and processing of natural resources; –promote technological development; –increase the local businesses' competitiveness; –encourage economic diversification; –make it possible for these regions to integrate in the Canadian and North American markets and fully benefit from the Free Trade Agreement between Canada and the United States.

There have been consultations—that is new, Mr. Speaker—to make sure that the people in these areas fully participate in the planning process, and the final text of the agreement takes into account the needs and priorities mentioned by the business people and the authorities in various parts of the province. In each of the regions with a resource base economy, an advisory committee made up of business people and area leaders will ensure the participation of the region in the decision–making process.

The agreement is based on the above principles of decentralization, consultation, and focusing on the areas that are the most in need.

One of the agreement's major goals is to accelerate economic growth in resource–based areas through five components—technological research and development, business enterprise development, resource development, human resources development, and infrastructure strengthening.

First, technological research and development. Since national policies and programs aimed at promoting innovation, technological transfer and research and development cannot always be adjusted to the conditions and needs of small businesses in resource based areas, a program to support research and development has been negotiated. Administered by the various Canadian departments and agencies concerned, will complement any national program in the areas involved without endangering national goals.

The agreement calls for the completion of joint industrial research activities and also joint or supplementary programs for mining and forestry. Further, a federal program for food testing has been announced, and another one involving fisheries and agriculture will be put in place.

Second, business enterprise development. The growth of enterpreneurship and small businesses is the best guarantee for diversification and economic expansion in resource based areas. Programs under that component will supply support similar to that offered in the Atlantic area.

A federal business development program has been established under that element of the agreement. Further, the province will initiate a business diversification and expansion program.

Third, resource development. Resources are the mainstay of regional economies. The activities of departments who deal with national resources often are not enough to solve certain development problems in a given area or to enable it to give its full measure. Programs under that component will be administered by the departments concerned and will endeavour to correct the situation.

Since my time is fast running out, Mr. Speaker, I would like to emphasize this Government's efforts toward the central areas. The special needs of Québec's central région also were considered. A federal productivity growth program has been set up. A joint innovation program with the provincial Government is under consideration and the new agreement provides that the province will establish an industrial ajustment program.

In addition, special programs for the Montreal area and disadvantaged regions within central Québec are provided for. We must also recall, Mr. Speaker, the federal Government's special initiative for the sub-region of eastern Montreal.

Mr. Speaker, with these programs, Québec will finally be able to benefit from the type of regional development assistance that only an effective federal approach, in consultation with the community, can provide.

In conclusion, I wish to say a few words about the Department's regional development activities. If you believe the Opposition Members, the federal Government has reduced its regional development expenditures in Ontario and Québec with this new approach. Nothing could be further from the truth. In fact, regional development expenditures in Ontario and Québec have increased considerably since the present Government took office. In the five-year period that preceded our taking power, these expenditures averaged $189 million a year for Québec and $68 million for Ontario. Over the last five years, from 1984-85 to 1988-89, they rose to $246 million a year for Québec and $108 million for Ontario.

Indeed, Mr. Speaker, the Government spent $1,231 million for Québec and $539 million for Ontario over the last five years, compared to $944 million and $338 million respectively for the previous period.

Clearly, Mr. Speaker, the new Department of Industry, Science and Technology gives great importance to regional development in Québec and Ontario. Work in this area is managed by a separate section of the Department, with qualified personnel in each province and the participation of local councils and communities and even more resources than were allocated to regional development in the past.

• (1530)

Mr. Speaker, if I have a second, I would like to add that the Free Trade Agreement puts the Government under no new constraints as regards business. We have the same rules and obligations as we had and have under GATT.

As well, we have added the ability to solve conflicts much more easily, to reach an understanding under the Agreement before going to court, but also to appeal to the bilateral commission if U.S. legislation threatens to change the rules of the game. That seems to me to be an important gain, both for the whole Canadian economy and for the regional economy.

I would like to add that the regional development responsibility of the Department of Industry, Science and Technology, comparable to that of the Atlantic Canada Opportunities Agency and the Western Diversification Department, involves the fundamental role of defending regional interests and, Mr. Speaker, I am convinced that this new organization based on partnership with the regions will help us rely more on regional dynamism and ensure the prosperity of Canada's regions.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, I rise today to enter the debate on Bill C-3, realizing the necessity of launching Canada in new directions. We must understand the implications of the changing global economy and Canada's place in it if the Government is going to play a role in ensuring Canada's continued prosperity.

[*Translation*]

This Bill goes far beyond the establishment of a department. It gives the government the means to establish the programs and policies which are essential to the well being of Canada.

[*English*]

Within the mandate of this Department are those policies which will determine whether Canada's future is full of hope or despair.

[*Translation*]

It is essential that Canada recognize the importance of science, engineering and technology if we are to be competitive in foreign markets.

[*English*]

The reality facing Canada today is that we cannot continue merely to rely on the exploitation of our natural resources if we are to maintain our standard of living. In a world in which sustainable development has become a global imperative, in which the continued burning of fossil fuels endangers our health and well-being, we must change our way of thinking, our understanding of economic development in the context of impending environmental crisis.

We have grown up as Canadians believing that our natural resources are unlimited, that our wealth and standard of living is assured. This is simply not true. Our natural resources are limited in supply, and the world demand for them is changing as more and more people consider a clean and healthy environment to be the most important natural resource of all. The question we must now ask ourselves is: Are we prepared to invest in

realizing the potential of Canada's most important resource, its people?

An Hon. Member: Hear, hear!

Mr. Manley: The natural wealth we have enjoyed has inhibited an appreciation of the necessity of investing in people, in education and skills, in innovative technologies. All we need to do is to look around us to understand the importance of science, of engineering, and of advanced education, whether it be the common use now of a personal computer, the production of information technologies, or the fusing of two atoms to create energy.

Unfortunately, Canada is being dragged reluctantly into the 21st century. Whether we like it or not, we are engaged in a world-wide race for technological leadership, a race that is being intensified by a number of factors including, for example, international trading competitiveness characterized by the rapid and, in historic terms, relatively easy flow of goods and services between nations, the explosion of information technologies.

Wealth is no longer simply a matter of control of durable goods. Just as brains over brawn has characterized human evolution, so will the innovative use of knowledge prevail over the mining of wealth and the production of goods over the next century. The activities of trans-national corporations, multi-national trading companies and international financial institutions, these corporate entities with the ability to move capital rapidly between nations, limit significantly the ability of nation states to control matters within their own jurisdictions, and involve national governments in major technological enterprises. The United States, through defence procurement, especially in the strategic defence initiative, has created the greatest industrial boondoggle in the history of the world.

In Canada, we have the recent example of the proposed acquisition of Connaught Laboratories by Institut Merieux, a corporation controlled by the Government of France. These factors alone emphasize just how important this Bill really is. Unfortunately, Canada is not well positioned at the present time in the new technologies race.

As Geraldine Kenney-Wallace and Fraser Mustard recently wrote:

> Canada's status among developed nations has been largely won by trading grains, fish, metals, lumber, paper, oil, gas and electricity. The domestic manufacturing base, long protected by tariffs that encourage the building of branch plants, grew strong after 1945.
>
> In contrast with other small countries, such as Switzerland, Holland and Sweden, however, Canada has not developed a similar number per capita of world-scale home-based multinational corporations.

The Prime Minister (Mr. Mulroney), both as candidate and as Leader of the Government, has had a lot to say about science and technology, giving the nation's science community much cause for hope. As candidate for the leadership of his Party, he wrote:

> The starting line for me is the technological dimension. Either we go into the game and become important players in this major league, or we become a nation that will, during its entire lifetime, play in the Junior B circuit. Research and development and the resulting innovations, are the lifeblood of a successful economy and country.

The Prime Minister also set an impressive target for levels of performance for research and development at 2.5 per cent of the gross domestic product of Canada, a target he set in 1984. His commentary was accurate and the goal of increasing our level of spending on research and development was achievable. Unfortunately, we also have the Government's record. In November, 1984, $46 million was removed from Environment Canada's budget.

An Hon. Member: Shame!

Mr. Manley: Since that time, over $70 million was lost, when you take into account the effects of inflation. Because of this, over 336 jobs, mainly in scientific and technological fields, have been eliminated.

An Hon. Member: Shame!

Mr. Manley: Also in 1984, the Conservative Government announced the elimination of the energy division of the National Research Council. And there are other examples. But still the Government rhetoric was compelling. For example, the Government asked the university research granting councils to submit their five-year plans for their financing needs. In response, the research councils had their base budgets frozen, and inflation eroded them for three more years until a recent announcement of some increase in the base budgets.

Everyone who has been following the course of events has warned the Government about the consequences of undermining the research and development effort in Canada. We have had more than our fair share of forums and advisory councils. By way of advisory bodies the Government has assembled eminent Canadians through the National Advisory Board on Science and Technology chaired by the Prime Minister (Mr. Mulroney). Unfortunately, its proceedings are secret. There has been the Advisory Council on Adjustment, the de Grandpré Commission. We have had for many years the Science Council of Canada. There are many advisory services in the Public Service of Canada. In Ontario, we have recently had the excellent work of the Premier's Council.

• (1540)

In terms of forums the Government has spent a great deal of money and taken people's time on at least two occasions to host the National Forum on Science and Technology and the National Forum on Post-secondary Education. If only some of the recommendations of these organizations and forums were acted upon I am convinced that we would not today be looking at the dismal statistics that I am compelled to cite.

Federal government expenditures on research and development as a percentage of total R and D spending have fallen since 1984 from 37 per cent to 30 per cent in 1988. According to the de Grandpré Commission, Canada has the lowest gross research and development expenditures as a percentage of GDP as compared to eight comparable countries. Industry funded R and D in Canada as a percentage of GDP is the lowest. Government funded research and development in Canada as a percentage of GDP is the second lowest. In terms of government performed R and D as a percentage of GDP, Canada is in the middle. Canada's higher education research and development as a percentage of GDP is the lowest. In terms of domestic patents granted per 100,000 inhabitants, Canada ranks second lowest. In terms of international patents granted, Canada is the lowest. With respect to advanced degrees awarded, Canada is in the middle. Canada has the lowest number of technology intensive industries with positive trade balances. Only 2 per cent of Canadian companies invest in R and D and two-thirds of this R and D is carried out by less than 7 per cent of this group.

The facts drown out the Prime Minister's protestations as to the importance of science and technology. Rhetorically, he has said the right things, but his rhetoric has not been translated into action. All the Government has to offer as a strategy for developing the Canadian economy is megaprojects and market forces. When it comes to building a science culture and an industrial base which is at once innovative and able to interact with the results of fundamental research, this is simply not adequate.

There are also many things for Canadians to be encouraged about. We have in place in Canada an excellent educational system with a population that has historically shown a willingness to support a high priority on education. We have a small but excellent governmental science community. The National Research Council enjoys a proud history of achievement. It is now called upon to evolve, but it must not be abandoned.

We have a vibrant, exciting and eager group of small and medium-sized high tech companies in Canada which have an international outlook, experience in world trade and excellent prospects if they are given the proper support. We have a peaceful, well-educated population by world standards. Given the proper tools and encouragement we can work smarter than anyone else.

With these strengths on our side, I ask myself where this Government is taking us, driven as it is by a preoccupation with deficits. Our existing significant investment in universities is being allowed to deteriorate as these institutions are under-funded. As a percentage of GDP, the funding of research in universities by the granting councils is less today than it was in 1970.

[*Translation*]

Under the conservative government, funding for basic research has been cut. A short-sighted government is only interested in applied research.

[*English*]

NRC is in a state of disrepair, lacking a president, smarting from budget cuts, stripped of the space program, waiting for the next shoe to drop. Our fledgeling industrial high technology sector is being cherry-picked by smart foreign investors while the Government of Canada stands idly by. Investment Canada has no teeth and no will to act. The Government has no vision. The established fact that foreign-owned companies tend not to do research in Canada is not even on the Government's agenda.

[*Translation*]

And small-and medium-sized businesses involved in research are harassed by accountants from Revenue Canada, a department which does not understand research.

[*English*]

As Denzil Doyle has pointed out, our annual trade surplus in resource-related products has only grown from about $10 billion to about $16 billion since 1976, while our annual trade deficit in medicine and high-technology products has grown from about $8 billion to about $18 billion. We had a trade deficit in computers alone of close to $5 billion last year. That means as many as 200,000 lost jobs to bright and technologically aware young Canadians.

In its recent report "R and D Outlook 1989" the Conference Board of Canada states that the general outlook for R and D spending is less positive now than it was a year ago. In considering this Bill, the question to be addressed by the House is whether the creation of this new department will assist Canada in moving forward in industrial policies and in the development of strategies for science, engineering and technology that will enable this country to create its own advantages in the global economy. I sincerely hope that the answer to that question will be in the affirmative. I hope that the move of science into a fully fledged departmental responsibility signals a greatly increased priority for it in the Government's agenda. However, the signs are that the contrary is true.

The Minister of this new Department is not a member of the Cabinet's Planning and Priorities Committee. Rather, he is one of those whose job it is to find cuts. The Government denied research, science and technology a standing committee of the House, preferring instead to structure a committee whose mandate is so broad that the concerns of the science community can only hope to be heard and addressed in a most peripheral way. There is the fear that to tie science to regional development is to link the two so that already scarce resources allocated to science are sought to be stretched even further to achieve regional development objectives.

The over-all objective of a science policy has got to be the promotion of Canada's ability to participate competitively in an international economy, increasingly driven by technological innovation. More particularly, I believe that the objective should be to enhance the climate for technological innovation in Canada. Government should seek to stimulate and to reward innovation and should be willing to share its cost.

I believe there should be an objective of training and retraining a workforce of technologically literate workers. We require a new generation of blue and pink collar workers whose special skills will lie in the areas of working with and applying new technologies to existing jobs and in occupations that we have not even thought of yet. High tech requires trained and skilled technicians and precision machine shops. To a great extent we lack these important skills in many regions of Canada. We must have a strategy to increase in absolute and relative terms our ongoing investment in research and technological innovation. We must use our relatively small size to our advantage by encouraging co-operation between the key players. I believe the Centres of Excellence Program will contribute to this. However, that program is under-funded by the Government and has created and will continue to create tensions and rivalries in the scientific community that did not exist before.

We must improve existing incentives for the performance of industrial research. We must remove the obstacles to fair tax treatment of industrial consortia, wrestle to the ground the intractable problems of the definition of scientific research and experimental development in the Income Tax Act. We must use government procurement strategically to help create a viable advanced technology sector. We must apply strategies to accelerate commercialization of domestic and foreign technologies. Research, including applied research and international marketing, is expensive and receives direct or indirect government support in other countries. Our advanced technology must receive comparable support if it is going to gain a foothold in the global market. We should not use scarce resources to re-invent the wheel. Rather our fundamental research should be world-scale and push back the frontiers of discovery.

• (1550)

Fundamental research has a key role in the development of a scientific community and in setting a standard for a science culture to develop in this country. We do need to innovate, to tinker, but in our rush to be relevant, let us not abandon the pursuit of excellence in science.

Science and technology are not only crucial to our economic well-being, but could also be key to solving some of our important environmental problems. To bring the world into ecological balance will require a multiplicity of new and improved technologies. The countries that are quick to meet their own needs are also the ones whose industries are likely to grow and supply markets around the world.

In addition to a science culture in Canada, we must also beget a generation of entrepreneurs. We must recognize that entrepreneurship is a culture process and has a social value. Entrepreneurs are risk-takers. They are men and women who take a chance, and in so doing provide a pay cheque for others. They should be recognized as economic heroes.

In recent years, practically all new jobs in this country have been created in the small business sector. Working in a small business, self-employment, entrepreneurship, owning and building a company of your own, must become credible options to young people. Entrepreneurs are not born. They are developed.

[*Translation*]

We do not intend to oppose this Bill just for the sake of opposing it, but we do intend to closely monitor all its results, Mr. Speaker.

[*English*]

We in the Liberal Party will support the Government if it endeavours to build the scientific base this country so desperately needs. But we will not stand idly by and be silent if the Government in its mandate continues to package its rhetoric and endeavours to sell it to us as policy. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Boyer).

Mr. Boyer: Mr. Speaker, the Member for Ottawa South has given a thoughtful speech and clearly has done a lot of research and has even developed some of his points quite extensively. I think there were parts that included rhetoric as well, just as it is something for which he was criticizing the Prime Minister (Mr. Mulroney) and the Government.

But rhetoric aside, I noted and listened carefully to his emphasis on the point that we must do more in Canada to train workers, whether blue or white collar workers, to put a greater emphasis on training of the workforce. I think that is something that many of us recognize as competition increases globally. Canadians have to match the skills not only of other Canadians, but workers in other countries. Given that the Hon. Member for Ottawa South has stated that point so clearly and forcefully, I just wanted to ask if he would confirm his support for the initiative announced in this House a week ago Tuesday by the Minister of Employment and Immigration (Mrs. McDougall) to transfer more funds and have greater emphasis on worker training under the unemployment insurance plan.

Mr. Manley: Mr. Speaker, I appreciate the question and the opportunity it affords me to restate some of the concerns I have about the ability of Canada to provide for its scientific and technological business community the kinds of human resources that are going to be required if we are to compete in the world.

I had occasion to travel to British Columbia recently where I was able to meet with many of the advanced technology companies that are in Vancouver and Victoria. I repeatedly heard the concern expressed that the infrastructure does not exist in British Columbia to support the development of many of the companies that are there that have good products and good ideas. One critical shortage lies in the area of precision engineering machine shops. These are required if products are going to be refined and honed so that they can be tested and marketed abroad. I think that as a country we need to take a very serious look at many of educational objectives.

Many of us in this House are products of a culture that promoted the white collar above the blue. My friend who asked the question and myself are both products of legal training, and maybe that is in part a result of that. But now the time has come to stress to our young people the important jobs, the jobs of the future, are jobs that are skilled and that require scientific and technological understanding. I think that objective in our educational system is one that the federal Government needs to play a role in achieving, partly through programs that do exist but also through the support of community colleges which have been reduced in recent years. Those colleges are prime places in which to develop the kind of skilled workers that we need.

I regret the suggestion that it somehow would benefit our science community if funds were diverted from people who are unemployed in order to train people for other jobs, some of whom are already employed. I think that the need for training and skills development is clear. But where does the money come from? What I suggest to the Government is that investment in people, in science, in education should not be regarded as expenditures, but rather as investments. It will cost us much more in the long run if we do not make them than it costs in the short term to spend that money. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for a supplementary, then I will recognize the Member for Welland—St. Catharines—Thorold (Mr. Parent).

Mr. Boyer: Just to complete the point, I really did hope the Member would focus with some precision on the point, because it is not theoretical or academic at this stage. We have before the House the proposals of the Minister of Employment and Immigration. We are looking at transferring funds while maintaining the integrity of the unemployment program and improving it, looking at putting additional funds from that fund toward the training and retraining of Canadian workers, something that the Hon. Member for Ottawa South has been advocating for these last 20 minutes or so on the floor of the House.

He dismisses that initiative with the suggestion, vague as it was, that funds could somehow come from somewhere else without telling us where. I really hope that if he is speaking for the Liberal Party on this, he could serve us all on the floor of the House by bringing some specific and clear comment on that point. The decision does have to be made and it is worthy of the best thinking of all Members in the House.

Mr. Manley: Mr. Speaker, I felt that the answer that I gave was precise enough. It is clear that it is not acceptable on this side of the House to reduce the amounts of money that are available for benefits under the unemployment insurance program and to move them elsewhere. Those benefits are required by the unemployed in Canada. To reduce those amounts that are available as benefits by increasing the qualifying period and reducing the number of weeks for which benefits can be received, is to attempt to take money from people who need it the most. That is not acceptable. It is up to the Government to decide where the money should come from. This is not a cafeteria where we can choose one plate and put another one back. My point is clear. Training schools development is crucial to Canada. Where that money comes from is the Government's choice.

• (1600)

Mr. Parent: Mr. Speaker, I have a question related to the supplementary question asked of my colleague, the Hon. Member for Ottawa South (Mr. Manley). It would seem to me that the national revenues would be a good place to get the money. I have been here for a few years, but it is new to me to hear an Hon. Member say that we should be making money on our Unemployment Insurance Program. Surely unemployment insurance is just that. It was set up so that we could take care of people who are not as fortunate as others because they are in between jobs.

My question deals with the youth component. He referred to community colleges. He said that many of our schools do not fulfil, as adequately as many of us would like, the stated objective of preparing people to take their place in society. Does my hon. friend think there should be more money taken from national revenues and placed in the hands of the community colleges so we could indeed fulfil the mandate to have people who are trained and educated take their place in a high-tech society?

Mr. Manley: Mr. Speaker, I appreciate the question which deals with my previous comment that indeed it is in the community colleges, as well as other technical environments, that we are going to be able to give to our youth the kind of skills and abilities that are needed as part of our over-all endeavour to convert products from the laboratory table to products that we will sell in the world market-place. If that is going to happen there must be qualified people.

The statistics I read in my remarks indicate many ways that our allocation in some of these areas is inadequate. We are not producing enough people with those kinds of skills. I have heard repeatedly in my travels and discussions with advanced technology companies that they cannot find, in many cases, people with the required skills. I think that funding to community colleges is key to that. I think it is an inexpensive way to deliver the kinds of education that is required for the next generation.

The Acting Speaker (Mr. Paproski): Questions and comments are terminated. I will recognize the Hon. Member for Calgary Southwest on debate and then the Hon. Member for Okanagan—Shuswap.

PROCEEDINGS ON AJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy)—Aboriginal Peoples—Suspension of hunger strike—Minister's undertaking / Request for commitment on funding / Negotiations with elected native leaders; the Hon. Member for Thunder Bay—Atikokan (Mr. Angus)—Air Safety—Request for replacement of Minister / Request for public inquiry; the Hon. Member for Nanaimo—Cowichan (Mr. Stupich)—General Agreement on Tariffs and Trade—British Columbia Fishery—Processing of fish in Canada / Landings of salmon and herring.

GOVERNMENT ORDERS

[*English*]

INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and the amendment of Mr. Langdon (p.724).

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, it gives me great pleasure to have the opportunity to comment on this historic legislation to create the new Department of Industry, Science and Technology.

The mandate and objectives of the new Department of Industry, Science and Technology are to strengthen the national economy, to increase international competitiveness of Canadian industry, to encourage excellence in the development and use of science and technology, and to promote economic growth and development in slow areas, areas such as Ontario and Québec as well in outlying areas far from the central region of Ottawa.

I disagree with the amendment that was put on the floor of the House. This Government has recognized that those sitting in central Canada may not have all the tools, knowledge or facts about how to treat areas far removed, be it western Canada or Atlantic Canada, Newfoundland, northern Ontario or northern Québec. We need to have the people in the areas who are knowledgeable and understand our differences.

During the last session of Parliament our Government created three economic development programs. One was the Atlantic Canada Opportunities Agency which was established in June 1987. Some $1.5 billion was transferred from the Department of Regional Economic Expansion to this agency. The head office was set up in Moncton, where people from Atlantic Canada could explain their problems to people in Moncton who are knowledgeable about Atlantic Canada. In that way they could attempt to diversify and to establish agencies and companies to create jobs that are meaningful to the people who live in Atlantic Canada, rather than central Canada deciding what is good for them.

In July 1987 our Government announced the formation of FEDNOR, the northern Ontario special diversification agency. It was funded with $55 million over a five-year period from the Department of Regional and Industrial Expansion. Sault Ste. Marie has the head office, with satellite offices in Sudbury and Thunder Bay. These offices allow people to have direct input into the difficulties which people in northern Ontario face.

Northern Ontario is very different from southern Ontario, and it is the duty of the Government to recognize and understand the disparities between all regions and to use the people in the local areas to give us information.

Our Government also created the Western Diversification Fund, with its head office in your City of Edmonton, Mr. Speaker. I know you are pleased to see that we announced $1.2 billion of new funding over five years for that specific agency. This will facilitate the West in diversifying.

I am very proud of the West, where we have agriculture and petroleum as our main industries. We are attempting to increase tourism, which is so important to the area.

Far too often, people in central Canada were telling people in the West what we should be doing. Westerners now have the opportunity to inform the Government and be able to have assistance in setting up new businesses. We will not compete with other companies in Canada to destroy employment levels. We want to increase our exports while cutting our imports. We are looking for new diversification, and this is what makes the Bill so interesting. This legislation strengthens science and technology but also strengthens regional development.

Prior to 1984 ERDA agreements were very popular. They were administered through the Department of Regional Industrial Expansion. At that time Saskatchewan, Alberta and British Columbia were not represented within the Liberal Government. It appeared that the funding which came to the West was extremely limited. I believe Alberta received one ERDA agreement for less than $35 million.

I am not suggesting that I am not pleased to see funding go to areas like Québec and Ontario. It is important because we need their economic activity to balance regional disparity. I am glad that southern Ontario is active and that Québec is improving.

However, prior to 1984 the West was simply not recognized. That is what this Government has fought for. It has listened to Members of Parliament from the outlying regions and realized that one of the biggest mistakes of the federal Government was not to listen to other knowledgeable people in the field.

We are dividing a Department to make industry, science and technology a Department that deals with the specifics of industry involvement in science and technology across Canada, while regional development is handled elsewhere.

I truly support the Government's action. I look forward to working with my Western Diversification Office, as I am sure my colleagues from the East Coast are working with their ACOA office. It is working and this is the right way to go.

• (1610)

We have to find ways to improve the science and technology sector, there is no doubt about that. We have learned that we cannot separate or compartmentalize various groups. We cannot have science working here, research working over there, and industry working over there. Over the past two or three years, we have communicated with industry, with post-secondary institutions, and with junior colleges and research centres. We have worked with the various agencies and with provincial Governments.

The Prime Minister (Mr. Mulroney) formed an advisory board on science and technology, bringing together 30 of the best men and women from across Canada to tell us their concerns and how we can best address them. We communicated with all these groups so that we could get the best of all worlds.

We have limited funds, and I think all Canadians recognize that now. The level of the deficit and the debt is of major importance. Of equal importance, however, is bringing together these various communities so they can zero in on how best to teach science and technology in the universities and how best to apply it to the industries so we can become more efficient, more productive and can go into the 20th century fearing no other country.

The face of international trade has changed over the last number of years. Indeed, it will change more. A great deal of our international trade was with the European community, and when the EEC was formed, we saw 12 countries come together to form an economic union. There are 350 million people involved in the EEC. It has a tremendous market-place and science and technology expertise to draw upon from various countries. It has done extremely well and has been very successful.

Canada realized that we were slowly losing our trade with western Europe. The Free Trade Agreement with the United States is one step, but we are now looking to the Pacific Rim, Japan, Korea, Indonesia and Thailand, as well as pursuing trade with our colleagues in South America. The outstanding and phenomenal Free Trade Agreement will secure our market-place with our friends south of the border, but Canadians realize that they themselves have to become more efficient. I am very pleased that we are now starting to focus on a Department that can draw the best knowledge from all areas.

I know the Hon. Member across the way mentioned that not enough has been done in areas of concern to his Party, and I agree with him. There is a lot more to be done. His concerns are also my concerns. We have started out investigating the problems, calling for all sorts of communities at all levels of education and industry to participate in finding recommendations that will solve the problems.

I suppose it was in the early 1980s—and you can correct me if I am wrong, Mr. Speaker, because you have been here for quite a few years longer than I have—that a program was implemented by the former Government for scientific tax credits. I believe the way that Government wanted to increase science and technology was by giving tax credits to industries that came forward with new ideas and technologies. There was an envelope of $350 million for that particular program, and in 1984 when the Conservative Government took over, it took us a year and half to resolve the difficulties with the program and less than a year to cancel it because it was being totally abused. Canadians were developing things that had already been developed or were submitting proposals that were not scientific or would not advance technology. They were simply there to grab funding.

We are dealing with taxpayers' dollars. It is the job of all Hon. Members from all sides of the House to look after the taxpayers' dollars and to see that they go into the right places, the places of need. By the time we had researched many of the proposals under that project, we found that it had cost the taxpayers $1.9 billion. Very little science and technology expertise came out of that, though perhaps a few good proposals did.

Let us put the money to good use. Let us not direct it from the Government. Let us direct it from all areas of the community so everyone can benefit and so we can get the best bang for our buck.

We must strengthen our performance in international trade. That is one of the directions being taken by this Bill. I mentioned the enhancement of the science base which will be done through the centres of excellence which were announced by the Government. We put $240 million into the centres of excellence program, an extra $200 million into the granting councils over the next few years, $80 million into Canadian Scholarship Programs as well as $500 million into technology. This indicates to me, and I think to my colleagues on this side of the House, that we do take science and technology extremely seriously.

Again, I do not suggest that this is enough, but it is a start. We have to monitor the situation constantly, and watch how well we are performing and look for ways to make changes if so needed, or improve what we have done.

Greater attention has to be paid to developing our human resource base, and through these grants that have been made to the universities and the different agencies, we can reach out to people who are on scholarships or at universities, people who can utilize this funding. We are involving private enterprise which probably has the best knowledge of how to go about the development of science and technology.

We are creating a climate for interaction. Whether dealing with science and technology, the energy industry or the transportation industry, we have to talk to the people. That is what we have done. We talked to the people about this Bill, about the Western Accord, about the Atlantic Accord, and about the Newfoundland Accord. We are talking to the people about some tie-ups we seem to be having at Pearson International Airport, but we have resolved many of those. We are going to the people to see how they believe we should alleviate the problem.

We are not coming down from the top; we are coming up from the bottom. This is what Canadians want. We are letting them speak. We are here to represent them; we are not here to tell them how to go about their business. We are interacting and we are fostering a spirit of entrepreneurship. There is nothing greater than entrepreneurship.

Let me tell Hon. Members about a contract let by the Western Development Agency. A gentleman who lives on the outskirts of Edmonton put forward a one-page proposal to the Western Diversification Department. Fine pipe used in the petroleum industry for seismic gets all curled up and is then no good. This gentleman developed a little gadget that would straighten that pipe so it could be used over and over again. He has gotten into business and is hiring people. With this development of technology, he has created a superb business from a waste product that we had no further use for.

It is the little guys that count as well as the big guys. That is exactly what this Bill will do. It will diversify out to the regions so that we will know what the people need.

• (1620)

Entrepreneurship is alive and well in the West, and it is alive and well in Atlantic Canada. People in northern

Québec have many areas of potential. Sometimes they need a little help with an extra tool or a boost with a loan or a loan guarantee. However, most of the loan guarantees through the Western Diversification Office and FEDNOR will be paid back. It might not be for five or six years. Realistically I know that not everything is 100 per cent successful, but hopefully most of them will be successful and we can almost have a self-sustaining fund where the Government has put the money into the various agencies. Western Diversification is proving this quite nicely. Over time we will be receiving money back from successful companies. Westerners do not want grants or giveaways. They just need a little boost like my colleagues in northern Québec where there are difficulties. We are facilitating those people to become job creators. Perhaps through their own business they may create 2, 52, or 1,052 jobs. That is how we all started.

Separating regional development from science and technology and from ERDA agreements has to be the manner in which to proceed. We have put more emphasis on science and technology, and that will allow this specific Department to get right into this issue. There is no need to have Industry, Science and Technology if industries are not working with the researchers. I am very pleased to support this Bill, and I look forward to seeing it go into committee where we can have further debate.

There is no doubt that it has taken us three or four years to come up with this answer, which is the correct one for the moment. Obviously the world will change in a few years. At that point in time perhaps we will have to take another look, and perhaps it will be changed again.

The Minister has done a good job. He took DRIE and MOSST and created this new Department. The Hon. Member for Calgary Centre (Mr. Andre) is also the Minister of Regional Industrial Expansion and Minister of State for Science and Technology. Under him is a specific Minister of State for Science and Technology (Mr. Winegard), the Minister of State for Small Businesses and Tourism (Mr. Hockin)—a specific Minister to keep hands on western diversification, a specific Minister to keep hands on FEDNOR, and a specific Minister to keep hands on ACOA. This means that those Ministers have a lot more direction and control over exactly what is going on.

Over the last three or four years I am pleased to see that we have taken the fine words of advice from the Prime Minister's advisory council and from people across Canada. We are not telling Canadians what to do. We are working for Canadians to create a better country.

The Acting Speaker (Mr. Paproski): On questions or comments, the Hon. Member for Restigouche.

Mr. Arseneault: Mr. Speaker, I was very pleased to hear that the Government is concerned with regional disparity. I am very displeased with some of the actions taken to solve those problems. First, the new recommendations of the Unemployment Insurance Program will certainly affect the area I come from. Restigouche has 15.3 per cent unemployment. One can talk about training, but if there are no jobs to train for, I do not think we are going to get much benefit.

I was also glad to hear that the Member is quite concerned with ERDA. Perhaps the Hon. Member should transmit that message to the Government. For example, six out of 10 ERDA agreements for forestry have not been renewed. They expired on March 31.

How can the Hon. Member stand up and place such importance on the ERDA agreements when the Government has not renegotiated and signed those forestry agreements with the six out of ten provinces where they have expired?

Mrs. Sparrow: I certainly appreciate the questions of my colleague. In regard to diversifying into the outlying areas in western and Atlantic Canada, Newfoundland, northern Québec, and northern Ontario, I do recognize that some ERDA agreements have been terminated. There is no doubt that there is still time for negotiations and time for further development in that area.

The Hon. Minister of Finance (Mr. Wilson), together with the Minister of Industry, Science and Technology and the Prime Minister, are very concerned with the high unemployment and the situation that exists in certain regional areas of Canada. The Budget is coming down one week today. I believe that any negotiations or issuing of new ERDA agreements will be held off until after April 27. At that point in time perhaps we could address this particular question.

The Hon. Member raised the question of unemployment insurance. In her policy statement on unemployment insurance the Minister of Employment and Immigration (Mrs. McDougall) did not make massive changes. We are attempting to provide funding to retrain

people. I take seriously the statement of the Hon. Member that there is nothing to retrain them for. I would certainly have to look into that further and more seriously.

Whether a person comes from New Brunswick, Nova Scotia, P.E.I. or Alberta, people in Canada have the spirit to get out and work. Unemployment insurance has a job to do. It has to help people who perhaps have lost their jobs. In my estimation it is not an income supplement. It is not a guaranteed income. It has to be used to retrain people. There is no sense in collecting the insurance, not taking part in retraining or returning to school, and then being faced with having to go out and seek employment when unemployment insurance terminates. I know much of the employment in the area of the Hon. Member is seasonal. I recognize that forestry and fisheries are seasonal. The area of the Hon. Member has specific problems that perhaps some areas of Canada do not have.

When a person collects unemployment insurance, he or she has to retrain. Industries are changing across Canada. What is good today may not be good tomorrow. People across Canada realize that unemployment insurance is not an income supplement or an income guarantee. It is there to help between jobs when a person is suffering. It is also there for retraining. I have to support the Minister of Employment and Immigration. She is attempting to address this issue. She has given us some excellent policy statements, and I stand behind those.

Retraining is the only manner in which the Hon. Member's constituents can get jobs. I hope to be working with people in ACOA. There is always room to improve. Nobody has the perfect solution. Perhaps we can improve ways of administering funding, or the types of industries that are being supported in order that there can be a broader base in eastern Canada.

Mr. Foster: I am pleased to have the opportunity to say a few words concerning regional development in the Bill which will be reorganizing the Department of Regional Industrial Expansion.

The Hon. Member for Calgary Southwest (Mrs. Sparrow) mentioned the FEDNOR program. This is a very modest program of $55 million over a five-year period for some 90 per cent of the land mass of Ontario and the whole of northern Ontario. That amount of $8 million a year in grants and some $3 million a year in loan guarantees do not go very far when we are trying to restructure industries. What we are concerned about is whether that modest $55 million allocated for the next five-year period will survive the slaughter house that will allegedly take place a week from tonight. A report in *The Toronto Star* earlier this week said that deep cuts ahead are feared for the regions. It is suggested that the Department of Regional Industrial Expansion's budget will be cut from $1.3 billion to $250 million a year.

• (1630)

Would the Hon. Member reassure us on this side of the House that programs like FEDNOR will not be cut back? That is our first and primary concern.

The second concern relates not only to the Department of Regional Industrial Expansion but to the ERDA agreements themselves. In northern Ontario we are very dependent on the forest industry. During the last five years we have had a program for forest renewal and development in which the federal and provincial Governments each put $75 million over that five-year period. That program has run out. There has been no authorization by the Government of Canada to the officials in the Department in Sault Ste. Marie to start negotiations with the Province of Ontario. If that program is not renewed, we will see a major decline in our capacity to provide forest renewal in the years ahead. That is one ERDA agreement that has not been renewed, but there is a tourism development agreement that runs out this year as well as a native economic development agreement. If one reads the Speech from the Throne one is not sure whether any of the ERDA agreements will be renewed.

I agree that the Department is important in regional development, but ERDA agreements are important from two points of view. First, they allow the federal Government to put money into regional development programs. All the levers of economic development are not with the federal Government. Often they are in areas of provincial responsibility which allow the Government to put those funds into provincial areas. Second, it allows the Government to bring up the slow growth areas of the country to a more national average.

I would be very concerned that all we have is this Bill before us today, and we will not have ERDA agreements which allow the federal Government to put money into areas of provincial jurisdiction which are very important for economic development in a region. I hope the Hon. Member can reassure me that those funds and programs which lapsed this year will be renewed.

Mrs. Sparrow: Mr. Speaker, I want to thank my hon. colleague for his questions. We have worked together on a few committees and I have always enjoyed our association.

As I recall the first thing the Member mentioned was something from *The Toronto Star* about gross cuts. I do not take my direction from *The Toronto Star*, and I do not think the Government of Canada takes its direction from *The Toronto Star*. Obviously the paper is speculating. What it says is totally hypothetical, and the paper is out to tell Canadians that everything will be cut. That is simply not true.

The Member said that in the Speech from the Throne there was no sure word that these ERDA agreements would be capped, renegotiated or kept intact. When I read the Speech from the Throne I found nothing that said they would be dismantled or not be renegotiated.

I think the Hon. Member is repeating hypothetical statements. Obviously I do not know what is in the Budget and if I did I would not be here. I ask him not to speculate and not to listen to what *The Toronto Star* reports. I tell him not to worry in thinking that the Throne Speech says programs will be cut when they are not.

Northern Ontario has forestry ERDA agreements, but there are other forestry areas across Canada that are also extremely important. I know that northern Ontario is the Member's region and I support the Member discussing the problems of his area. There is room for negotiation. Whether at the same magnitude, I do not have the answer.

FEDNOR was announced in July 1987, I believe. This was a brand new Department which took six months to get on stream. Anything brand new takes a while to get organized, but it is operating well and effectively. We are always, however, interested in finding ways to improve it. I am interested in the Hon. Member's suggestions and would like to co-operate with him on how best to make FEDNOR work and work better.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Industry, Science and Technology

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-3 today, particularly to its amendments. I oppose the thrust of the Bill and the three vital flaws that I see which run counter to the stated objectives in the Bill. They are as the Bill states: to strengthen the national economy and to increase international competitiveness of Canadian industry.

By repealing the Department of Regional Industrial Expansion it is my belief the Government is signalling very clearly that it is willing to fragment the very necessary regional development tools and programs which our country has required and will continue to require to reduce the significant economic disparities present across the land. Instead of the co-ordinated program of regional development what we will end up with is a kind of hodgepodge of programs tucked away in various legislative areas with very little co-ordination or overlap.

I come from a constituency out West, Okanagan—Shuswap, in the southern interior region of British Columbia. We are still struggling, believe it or not, with unemployment levels that exceed 17 per cent. In fact, the latest figure indicates that in the northern part of my riding the unemployment level exceeds 19.6 per cent. We have real problems of regional economic disparity.

In Atlantic Canada we see that the situation is very similar to what we have out West. Both the West Coast and the East Coast remain resource driven economies that are in desperate need of economic diversification. We need a far greater commitment from the Government toward regional development than we have had in the past. We do not need the kind of legislation such as is intended in this present Bill which really serves to fragment further regional development programs and efforts.

Second, the Bill proposes that the responsibility for regional development in Ontario and Québec shall fall under the auspices of the Ministry of Industry, Science and Technology. This implies that the economic development of the West or of Atlantic Canada with respect to science and technology will not be a primary mandate of this particular Ministry. This sends a signal to the scientific community across Canada that concentrated growth in this industry can be expected to take place in Central Canada. Once again, we see evidence that the Government is intending to provide favouritism to Central Canada at the expense of its regions, such as the West and Atlantic Canada. It makes me wonder whether the Government has ever realized that there is life west of the Rocky Mountains.

There is a good deal of scientific research going on out West and a good deal of potential for increased research efforts. As has been the case for so long, the attention has been centred in mainly two provinces, Ontario and Québec. We are losing scientific talent from the West, simply because of a chronic lack of research and development capital. We are losing prime opportunities for economic diversification and technological advancement in our western provinces because of this Government's centralist attitude toward economic development and reducing regional disparities.

• (1640)

I trained as a biochemist. I worked for some time in the research community in British Columbia. I noticed first-hand a chronic lack of research funding, not totally the fault of this Government. Much of the blame has to placed upon the shoulders of the provincial Government. Certainly, there has been a chronic lack of funding by both institutions with regard to research and development.

An Hon. Member: Shame!

Mr. MacWilliam: Not wanting to move back East, I eventually moved out of the scientific community and finally ended up in politics and came back East anyway. That is life I guess.

My story raises a very serious point. There continue to exist major inequities in the disbursement of our federal research and development capital across this country. I was talking to members of the scientific community, and they left with me an interesting document. It is entitled, *Coherent Educational and Scientific Research Policies for Canada.* An interesting point made in the article demonstrates that public funding for full-time enrolled students across this country, declined by 11 per cent, from 1977 to 1986. In equivalent dollar values, it was an 11 per cent decline.

I heard many of the members on the government side pay tribute to the priority that science, technology and education will be given by this Government. Those comments sound very hollow in the reality of what has actually taken place over the past years.

There is another interesting aspect which is most telling. I will quote directly from the article, which talks about enhancing the research and development effort of Canada. It states that by any yardstick, Canada's research effort is inadequate. Compared with similar economically developed countries, the share of gross national output devoted to research is far too small. This fact is widely recognized to the point that the Prime Minister pledged to double Canada's spending on research and development during his Governments first term of office.

We are at the beginning of his second term of office, and we are nowhere near to beginning on the road to doubling this research effort. There is a very interesting table in this report. It shows eight of the western democratic nations and the percentage that is spent in research and development in terms of the Gross Domestic Product: Sweden, the United States, Germany, France, Norway, Finland and Canada. Canada is at the bottom of the list.

An Hon. Member: Shame!

Mr. MacWilliam: This is significantly below the research and development efforts of all those other nations. I would say to the Members across the floor of the House that the lip service that they have paid in terms of their commitment to research and development efforts in education, ring very hollow in the face of the reality of the problems in education, science and research development.

Some Hon. Members: Hear, hear!

Mr. MacWilliam: It is time they put their money where their mouth is, and committed more funds both to post-secondary education and scientific research and development.

This proposed legislation is only going to deepen the inequities caused by the Ministry of Science and Technology in concentrating its efforts in Ontario and Québec at the expense of the other regions. This is a major disappointment to our scientific community and to our technological industries that are located elsewhere.

I have concerns about the intention of this proposed legislation to roll into the Ministry of Industry, Science and Technology, responsibility for tourism development. It is a strange place indeed for tourism to be located. Maintaining the Department of Tourism as a type of sub-Ministry, buried within the bowels of this larger Ministry, fails to acknowledge the growing importance of

this industry in Canada today. It fails to recognize the commitment that this Government made back in the election campaign. In the election campaign of 1984 the commitment was to increase the profile of tourism by creating a separate Ministry of Tourism, highlighting tourism and giving it the funding necessary to do the job.

Since that time, we have had speaker after speaker from this Government praise the importance of the tourism industry.

I have gone over the debates of the House of Commons since 1985, all summarized in the tourism debates. Time after time we have seen Ministers and back-benchers on the government side get up and praise the tourism industry, and the fine job that it is doing across Canada, and the commitment that the Government will make to increase its tourism efforts.

An Hon. Member: Some day.

Mr. MacWillian: My colleague says: " Some day". We on this side are still waiting for that day.

There was a most illuminating comment made on October 23, 1986, by my colleague, the Member for Beauséjour, (Mr. Robichaud), in his comments, in the Commons debates. I would like to read these comments into the record. Mr. Robichaud stated: "The Government has bragged about having created an independent portfolio for tourism". What happened to the Department of Tourism in the Cabinet's last shuffle? In June last, the Prime Minister simply struck it off. The Department of Tourism is no more. We now have a Minister of State for Small Business and Tourism (Mr. Hockin). TIAC chairman, Walter Tilden, expressed his disappointment by stating that: "It would appear that the Government does not know what to do with tourism. The executive director of the Tourism Industry Association of Canada, John Lawson, also expressed disappointment by stating:

"We are back to a combined Ministry. It is a clear sign that tourism is once again relegated to a backroom". Those comments were made on October 23, 1986. Unfortunately, I would like to submit to you that things have not changed. The Government is once again relegating tourism to the backroom of economic development. The Hon. Minister of State is probably reluctant to make an issue out of this. I do not blame him. One does not want to bite the hand that feeds you. I would like to help out my colleague, the Hon. Minister, in our mutual attempts to increase the economic clout of his Department. It is easier for me to criticize the Government, than it is for him to do so.

Canada's tourism industry has a bigger international market than lumber, newsprint, or crude petroleum, and it outperforms wheat and natural gas combined. We are not talking about a small economic impact. It has a growth rate which, for the past 10 years, surpassed that of the major industrial sectors. It pumps $21 billion into the national economy, $6.3 billion of which is foreign revenue. Nationally, the industry employs 600,000 people directly, and another 500,000 indirectly. Over 600,000 tourism businesses are in Canada, the majority of which are small and mid-size operations, where 80 per cent of our job creation takes place. Tourism revenue pumps $9 billion annually into government coffers. Some 6.7 cents of every dollar spent in Canada is spent on its tourism products. Through this legislation the Government wants to delegate the Department of Tourism to the back-burner of economic development by hiding it within the proposed Ministry of Industry, Science and Technology.

• (1650)

Tourism is Canada's fastest growing industry. Throughout every province it has ranked first in the creation of new jobs. There is no other industry which has contributed more to Canada's regional development. I do not think that the Government will give my colleague, the Minister of State for Tourism (Mr. Hockin), the opportunity to oversee a Ministry of full status.

Tourism is already the largest industry in Canada. From 1975 to 1985 the workforce in tourism-related industries has in fact grown by some 90 per cent. By the year 2000 it is expected that it will be the leading industry in Canada. I wish to read to Hon. Members a statement from a 1988 Tourism Canada publication entitled *The Challenge in Tourism Product Development.* This is from a Ministry circular. It states: "Given the growth potential and the significant economic contribution in Canada the key question is whether or not Canada can in fact meet the expectations of the market-place in the future, particularly with respect to the quality of its tourism product which will play a large part in determining the future success of the tourism industry". The key comment that this publication makes is with respect to whether or not we can meet the expectations of the market-place and that in Canada it is critical that we become globally competitive in the tourism industry.

Although tourism is a growth industry, our international tourism deficit has increased over the last few years. It is also steadily growing. We have reached an all-time high in our tourism trade deficit. We now have a deficit that is at $5.2 billion annually. That figure is taken directly from this Ministry circular.

I submit that to remain globally competitive in the international tourism market-place we will have to do better than we have in developing and marketing our tourism product. It will take initiatives that can only be developed if we have a full-fledged tourism Ministry, not a miniscule Department that is buried in the confines and the bowels of some other Ministry.

The Tourism Industry Association of Canada has repeatedly called for the establishment of a separate Ministry of Tourism with an equal status to other major economic sectors. Over the last 10 years the federal investment in tourism marketing has not even kept pace with inflation. We have now reached the point at which some individual states in the United States of America spend more on tourism marketing and tourism development than does the Government of Canada. I suggest that our efforts have to be doubled and redoubled. It is not enough for an industry that is poised throughout the world to become the largest world-wide by the 21st century. I think we will have to do a lot more in order to catch up to this very rapidly changing global market in tourism.

The tourism industry is not satisfied with anything less than a full-fledged Ministry of Tourism. The Government made a public commitment eight years ago to highlight tourism and to give it the promotion that it deserves today. This Bill clearly demonstrates that the promise has been broken and that tourism will continue to be treated as a junior Department with a budget that is inadequate to do the job.

In summary, once again the Government is demonstrating its *modus operandi* of the last few years of not spoiling a good election promise by actually doing something about it. I would like to recommend that the Government consider the striking of the Department of Tourism as an adjunct to the Ministry of Industry, Science and Technology, as is recommended in this legislation.

Finally, I would like also to recommend that the Government introduce further legislation that would in fact establish a separate and full-fledged Ministry of Tourism. I would add that we have to provide the legislative clout to ensure that the tourism industry receive the kind of attention and the kind of federal commitment that it deserves today.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Chair recognizes the Hon. Member for Sarnia—Lambton (Mr. James).

Mr. James: Mr. Speaker, I listened with interest to the comments made by the Hon. Member for Okanagan—Shuswap (Mr. MacWilliam). I am pleased that a member of the socialist Party is so concerned about entrepreneurship. It is absolutely refreshing that the Hon. Member is concerned about tourism and the wherewithal of the people who are in business in that sector. That is excellent.

However, I am a little concerned about some of the things that may be missing in his analysis of what is going on, especially with respect to the regional initiatives that we are taking. In tourism a regional approach is needed. I did not hear him giving any accolades to the Government for taking such initiatives. It is certain that tourism has a different complexion in different parts of the country. It needs local initiative, not only through the DRIE Department, which will soon be the Department of Industry, Science and Technology but also through the Department of Employment through the community futures program, which also has direct local input of which tourism operators can take advantage through training or special initiatives.

The Hon. Member also forgets the extensive study the Government conducted especially on the American market so that we could identify the kind of wants of the tourists there. It is our biggest and closest market. A whole new approach in terms of the proper type of advertising to attract American tourists to our market is necessary.

I have a real problem about Hon. Members talking about adding Ministries, and then after a full Ministry is put in place they will be saying that the Government has too many Ministries. I hope that the Hon. Member will reflect upon the regionalized approach we are taking to business in our country. I want to tell the Hon. Member that I sat on the DRIE Committee throughout the last four years. We worked very hard at allowing for a regionalized approach.

I would like to conclude by talking about this centralist Canada stuff. Southwestern Ontario has areas that need assistance on a regionalized basis. Just because Ontario has a fairly buoyant market does not mean that every community or area in southwestern Ontario has that same buoyancy. We need an opportunity to have self-directed funding to areas in Ontario.

Mr. MacWilliam: Mr. Speaker, I appreciate the comments made by my colleague, particularly his comments about finding so many new and refreshing ideas in the New Democratic Party. I want to say to the Member that if you look really close you will find that there are lots of refreshing ideas on this side of the House. I am glad you are paying attention to them.

The Acting Speaker (Mr. Paproski): I would like to ask the Hon. Member to direct his comments to the Chair.

Mr. MacWilliam: That was through you, of course, Mr. Speaker.

I also want to add that I do not know where in the House it came from but I did get an urgent message in the middle of my speech stating: "Mr. MacWilliam, your fly is down". I do not know quite where it came from but I am somewhat suspicious indeed.

• (1700)

I hardly even flinched, too,I was really trying not to look and see.

As to my second comment to the Hon. Member regarding the regional aspect of tourism development, I want to say to the Member that I appreciate his comments regarding the necessity for increased regional emphasis on tourism development. The points he made are very valid. However this Government has not committed itself to the extent of the agreements that he is talking about now, the ERDA agreements, in terms of the tourist industry subagreements and in terms of the forestry industry regional development agreement. Half of those agreements are expired. The other half will be expired within the next year or so. Would the Member on behalf of his Government make a firm commitment that these regional development agreements will have a full commitment from this Government in the future?

The Acting Speaker (Mr. Paproski): I will entertain another question or comment from the Hon. Member for Rosemont (Mr. Tremblay) and a very short reply from the Hon. Member for Okanagan—Shuswap (Mr. MacWilliam).

[*Translation*]

Mr. Tremblay (Rosemont): Mr. Speaker, for the benefit of the Hon. Member for Okanagan—Shuswap (Mr. MacWilliam), this is a Bill that concerns regional development and provides for creating a separate section of the Department to take care of regional development in Ontario and Québec, a section that would perform more or less the same functions as those of the Department of Western Economic Diversification and the Atlantic Canada Opportunities Agency.

These functions include a number of important responsibilities, one being to express the views of the regions concerned when national policies are get. Furthermore, these new agencies for the management, co-ordination and planning of regional development have additional resources which they have been given to enable them to have access to national programs.

We are not talking about excluding people from national programs. Our perspective is to have additional resources that will enable the regions—.

Mr. Speaker, the Government's objective is not to create components—to put regional development in separate compartments but to rely on the dynamic energy of the regions, with some help from the federal Government, to have access to all national programs.

I hope that some day—there are regions that today are getting special funding and that will no longer need it when they have become as dynamic as Southwestern Ontario and, I hope, your own riding.

[*English*]

Mr. MacWilliam: Mr. Speaker, the Member makes comment with regard to regional economic development. His argument is somewhat suspect because in fact the legislation in front of us states very clearly that the mandate of the proposed Ministry of Industry, Science and Technology regarding the regional component concerns itself with only two provinces: Ontario and Québec. By implication that mandate excludes subsequent regional development vis-a-vis science and technology for other provinces. The necessity for that co-ordination of regional development efforts, has not been recognized. There will be three agencies for regional economic development: one through the Ministry of Industry, Science and Technology; the second agency with funds filed through the Western Diversification Fund; and the third industry for the East, the Atlantic Opportunities Agency.

We have three agencies with basically the same mandate. There will be less opportunity for the co-ordination of regional development efforts as a result of the separation of the mandate.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate? Before I recognize the Hon. Member for Abitibi (Mr. St. Julien), the Hon. Minister of Justice (Mr. Lewis), the Government House Leader wishes to rise.

Mr. Lewis: There have been discussions with the Official Opposition which has the opportunity to frame the motion for debate tomorrow during the allotted opposition day. I understand that the motion which has been placed with the Table calls for two days' debate to which the Opposition is entitled to under the rules, with a vote at the end of the second day. We feel that the subject matter of the debate is important. It is important also that Members who may be in their ridings have a full opportunity to come back and enter the debate on the second day, and there should be some certainty as to when the second day is. For that reason I am rising now to indicate that Monday will also be an allotted day, which will enable the debate on this particular motion to take place on two consecutive days and give all Members an opportunity to return and participate in the debate. As I understand, there will be a vote on Monday evening.

The Acting Speaker (Mr. Paproski): On the same point of order?

Mr. Gauthier: I would like to explain that the Liberal caucus feels very strongly about this issue. If I was upset earlier this day, it was basically because as Whip and Deputy House Leader, I have to forewarn our Members of subject matters coming up.

I had been told earlier this week that there would be no opposition day this week, therefore I had let some Members go to their ridings which are far and difficult to reach such as Members of the Northwest Territories. They have an interest in the subject and would like to discuss and debate it. I have now had time to talk to them and ask them to come back to the House tomorrow and Monday. They will be here.

Therefore perhaps we are innovating, Mr. Speaker, in the sense that we have called for two days. According to Standing Order 81(14), the duration of debate on this motion is to be two sitting days commencing on Friday, April 21, with all questions being put no later than 15 minutes before the time of adjournment on the second day.

I have a certain number of Members who are interested in the subject. They want to raise the matter and discuss it thoroughly. I am happy that the Government has seen fit to call the second day on Monday, the 24th of April.

The Acting Speaker (Mr. Paproski): So agreed?

Some Hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, we would probably agree to it, but in the absence of our House Leader, I would like a minute or two to speak with the Government House Leader or the Whip of the Liberal Party. Perhaps some of our Party were consulted, but the Deputy House Leader was not here at the time.

Mr. Lewis: Mr. Speaker, it was not a matter which is debatable with House Leaders. It was a question of when it would be best for the House to hear the two days. Since the motion was framed for two days and put down for two days, it then became a question of our deciding as a Government when to allocate the second day. We felt that allocating it immediately, that is on Monday, would be in the best interest of all Parties.

The Acting Speaker (Mr. Paproski): So agreed?

• (1710)

Mr. Lewis: With respect, Mr. Speaker, it is not a matter for agreement. It is more a matter of the designation of opposition days, which the Government is doing. We are officially designating Monday as an opposition day, during which the second day of debate on the Official Opposition motion will take place.

[*Translation*]

Mr. Guy St-Julien (Abitibi): Mr. Speaker, during its first mandate, the Government had an opportunity to thoroughly examine each and every area of activities, each and every industry. Our goal was to take stock of the situation as it existed in Canada and determine our strong and weak points in order to develop strategies to successfully meet the challenges of our world and those of future generations.

As each Member of this House could realize, the Government has done away with the practice of developing policies in isolation, because, in this respect, past federal Governments have had a very poor record. Since 1984, this Government has defined itself as one of openness and consultation. That is why we have set up consultation mechanisms wherever the efficient intervention of the State was required.

Mr. Speaker, the tourist industry was certainly no exception. During our research and consultations, we have come up with extremely eloquent data. For instance, in Canada, no industry creates as many jobs as tourism. Some 600,000 Canadians earn their living in that industry and hold a great many types of occupations.

Mr. Speaker, 600,000 people are working in the tourist industry. That represents approximately 5 per cent of the jobs nationwide. In terms of revenues, I have checked the lastest available statistics, those of 1987, and I have found that foreign tourists had spent nearly $21 billion in Canada.

I will go further and say that the tourist industry creates more jobs than the airspace, financial services and agricultural industries. I would go even further. Tourist-related activities rank second, right behind the automobile industry in terms of total production and job creation.

Finally, the tourist industry outmatches the car industry in terms of economic growth as well as job creation. Tourism certainly deserves our full attention, for it is much more than just a pleasant distraction. We must see it as a dynamic economic force in full expansion.

As a consequence, the Government had no choice but to take action and make sure that the tourist industry maintains and even accelerates its growth. As I was saying a while ago, our initial approach to this issue was based on consultation with the main players in every region of this great country.

For example, our Government has organized the national convention on the tourism of tomorrow, which brought together the private sector and all levels of government to review their respective priorities and strengthen their co-operation.

We have also established the tourism ministers conference and the Tourism Marketing Council, among other things.

The Canadian Government has sponsored the most ambitious study ever done on the American pleasure travel market. We were more than willing to share the findings of that research with the provinces and the private sector. As far as tourism is concerned, the Government is convinced that any action to strengthen an industry must be taken in a true spirit of solidarity.

As I was saying, tourism is one of Canada's most important economic activities in terms of sales, revenue in strong foreign currency, tax revenue and job creation. Are we to believe that the growth rate of our international tourism will keep on climbing? Among factors conducive to tourism, the sustainable economic prosperity of industrialized countries comes in first place.

Until now, it is the industrialized western countries which have done the most for tourism development. But the Communist countries are now experiencing a remarkable economic expansion. No wonder many analysts predict that by the year 2000 tourism will be the biggest industry in the world.

Canada's performance since 1980, Mr. Speaker, is quite impressive, especially in comparison with our main competitors. Those are not my words but those of the World Tourism Organization, which reports every year in American dollars the international revenue of major countries, excepting the transportation cost of international travellers.

Indeed, from 1980 to 1987, Canada's international tourism revenue increased by 8.2 per cent annually on average, compared to 6.2 per cent for the United States and 5.2 per cent for the United Kingdom, for example. In fact, our country is ninth in the world for international tourism revenue.

I do not think it is an exaggeration, Mr. Speaker, to predict that Canada made the right choice in time and that its future prospects are excellent. But there is no question of stopping along the way and presuming arbitrarily that the game is already won. We have realized that as the number of travelers increases, so does the competition.

We must also recognize that tourists are more and more demanding. If we do not act to meet their expectations, we will have to forget about the exciting prospects the future holds in store for us.

Obviously, it is in our country's interest to have a well-articulated tourism development strategy that leaves nothing to chance. For this, Mr. Speaker, we need to know our major tourist attractions perfectly and do everything to market them.

So what are these combinations of attractions, events and services that have come to be called "tourism products"? You will see that we are very well endowed in this regard. Canada can pride itself in four major tourism products which have proven themselves over the years. First comes our outstanding strong point, traveling tourism.

Certainly, the diversity of our scenery, our wild coastline and millions of acres of almost undisturbed nature put us in a class by ourselves.

Mr. Speaker, keep in mind that Canada has a network of 34 national parks and wildlife reserves. These parks would play a larger role still if they had improved animation services and close at hand top-quality lodging facilities, and if they were open for a longer period.

No-one maintains that Canada's climate is ideal for year-round tourism, but that is no reason to go into hibernation the moment the first snow flake hits the ground. On the contrary, we ought to take the initiative and make the best we can with the kind of activities which are appropriate on colder days.

Mr. Speaker, this bring me to our second, most sought-after product: open air tourism, sports, and adventure. We are highly competitive in that sector, what with land and water excursions, hunting and fishing, safaris and other activities which attract higher income travelers.

The third element of potential growth has to be urban tourism. In recent years our infrastructures in urban centres has undergone tremendous development. Such industrial and cultural centres as Montreal, Toronto, Vancouver and Ottawa offer top-notch attractions in gastronomy, entertainment, quality accomodation, and shopping opportunities, to name a few. Urban tourism is growing, and although some progress has been made our major cities still have a long way to go to project a stronger image and appeal.

Mr. Speaker, this gives you an idea of the state of tourism in Canada, and it could be the starting point of the Government's strategy.

As I pointed out earlier, Mr. Speaker, Canada's advantages are well known the world over. I might add that our country's excellent reputation as a pacific and welcoming nation can only serve the interests of the tourist industry.

Canada can rightfully be looked upon as a haven of peace, and our hospitable climate is attracting international tourist. Still, Mr. Speaker, competition is becoming stiffer because, not unlike Canada, the goverment of all industrialized countries strongly support tourism and spare no effort to lure the traveling public who is increasingly being sought after worldwide.

Our research indicate that the number of tourists who might visit Canada is likely to increase significantly over the next six years. We estimate that if we make a concerted marketing effort and accurately pinpoint the winning destinations we might be able to double our income from international tourism by 1994 and reach $14 billion.

Among other things, our free trade agreement with the United States will make it easier for Canadians and Americans to visit one another. That is a factor which ideally underlies our strategic approach to tourism, for obviously the United States is our best costumer.

We intend to intensify our efforts in areas of highest growth potential, namely the South Atlantic States, those among the Central Atlantic Coast, New England and the Rockies.

In addition to the expected flow of neighbours from down South, we have noted a seemingly irreversible movement of Asian tourists to whom Canada's natural beauty is a tremendous fascination.

In that respect an estimated 10 million Japanese tourists could cross over next year, almost double the number in 1985. To Canada this is a potential market we have no intention of neglecting, Mr. Speaker, especially since the Japanese of all international tourists are the ones with the highest per capita expenditurrate.

Far from us to neglect more traditional European markets. More French visitors come here each year, just as West German and British ones. Those are nations higly sought after by every country having even a small degree of sophistication in their tourist infrastructures. We not are the only ones in the race, Mr. Speaker, but if Canada can intensify its development and marketting efforts abroad, we will increase in proportion our share of the international market. Like my colleague Tom Hockin, the Minister of State (Small Business and Tourism), I think we will have to predict future trends and thereby get ahead of the competition.

Being a with a country relatively small population and rather modest promotion and advertising financial resources for that reason, we will have to be innovative and creative if we are to catch the imagination of potential tourists. There again the collegial approach, the sharing of our talents and initiatives will play a capital role.

We also identified the nature of the basic problems we must tackle to improve our tourist industry's performance. Those problems arise mainly in the areas of finance, human resources and technological adjustment.

Concerning finance, the Government is committed to gradually eliminating the imbalances that historically restricted small entrepreneurs from accessing major sources of financing. The new order that is being established in the tax regime, combined with financial circles increased awareness of the tourist industry's spinoffs, certainly will help support the initiatives of those who believe in Canada.

Mr. Speaker, the quality of service, a matter directly linked to the scarecity of skilled human resources, also is a major concern.

In fact, fewer young people are available, and fewer are interested in a career in the restaurant and hotel industry, for instance. However, we cannot provide first class service without professional, well-trained staff.

We all have a responsibility to make the tourism industry more attractive to Canadian workers. We need innovative ideas and effective marketing programs to reverse a trend that is worrisome, to say the least. The Government has guaranteed its unconditional support for all types of employers who for a long time have been anxious to improve the quality of service in the tourism industry.

As for adjusting to new technologies, Mr. Speaker, our hotel chains, airline companies and travel wholesalers made that adjustment a number of years ago. Our transportation, accommodation, guided tours, entertainment and restaurants are first class, except for a certain lack of co-ordination between these sectors. We have the tools to take care of the necessary planning, but there is a certain form of misplaced individualism that seems to undermine this kind of co-ordination. We hope that our appeal for better co-operation will be answered, Mr. Speaker.

If we are prepared to tackle the problem head on and organize more package tours, Canada's reputation as a host of international calibre will continue to improve.

Mr. Speaker, I have tried to summarize the pros and cons of tourism in Canada. I have made an attempt to zero in on our priorities and determine what obstacles had to be overcome. I would now like to comment briefly on the fundamental goals of the federal Government's tourism development strategy. Mr. Speaker, we must concentrate on increasing our international revenues, which means that the federal Government is helping Canada's tourism industry with a view to attracting tourists from outside Canada. More specifically, we want to improve the development of markets and products in the tourism industry; enhance the effectiveness of our international marketing activities on the principal world markets; enhance our competitive position at the international level; and help the industry to improve its human resources in management and to find the financing it needs.

To be even more specific about the measures the Government will take, it will continue to: prepare surveys and studies in order to refine its knowledge in the area of research on international tourism; acquire and maintain a thorough knowledge of the subsectors of the tourism industry, in order to make more services available; and finally, set up and manage an international marketing program.

From the various working assumptions I just mentioned, Mr. Speaker, I think we can conclude it is imperative for the Government to co-ordinate its initiatives for product development and international marketing with its partners, whether these are provincial and territorial governments, municipalities or the private sector.

It is clear that this philosophy applies to any financial participation on the part of the federal Government, which must be reflected at other levels of government and other decision-making levels.

Mr. Speaker, I think the path we must follow is clear. It is the path of partnership, flexibility and dynamic programs that will guarantee the success of our strategy and a flourishing tourism industry.

Mr. Speaker, without wishing to digress, I would like to conclude by reminding Hon. Members that the Government has made an undertaking to encourage and stimulate entrepreneurship, which is one of the most consistent motors of economic growth. Many small businesses depend on a flourishing tourism industry to be successful.

On the other hand, the tourism industry has the necessary dynamics to attract intelligent entrepreneurs who are not afraid of taking risks but can also count on finding exactly the kind of structure they need.

One last word, Mr. Speaker, to stress the important social role of tourism in Canada. Environmentally, this is a clean industry of which our fellow citizens may be proud. Mr. Speaker, tourism has become very important to Canadians.

In concluding, I want to say that thanks to the strategy I mentioned earlier, we will give this industry the attention it deserves. With so much in our favour, I am convinced that we will help enhance Canada's prestige internationally, and that in doing so, we will be able to inject across this country, the capital we need to fully develop our economic potential.

• (1720)

[*English*]

Mr. Kindy: Mr. Speaker, I would like to make come comments on Bill C-3, the Bill which establishes the Department of Industry, Science and Technology and repeals the Department of Regional Industrial Expansion Act.

As we know, the Government provided some substitutes for the West and created the Western Diversification Agency, which certainly was helpful. The Prime Minister (Mr. Mulroney), when he announced that agency, said that it would be new moneys. Up until now, it seems that new moneys have not been forthcoming. I hope that in the Budget the Government will provide those funds for the Western Diversification Agency.

At the same time, I would like to mention that the federal Government, as yet, has not signed an Economic Regional Development Assistance Agreement with Alberta. Alberta has been short-changed in the last five years by that agreement. Alberta received only $35 per capita. Québec, for instance, received $90 per capita for a total of $600 million, while Alberta only received $85 million.

This Bill not only repeals the Department of Regional Industrial Expansion Act but creates in Part III a regional development agency for Ontario and Québec. I hope that in the new Budget we will see a provision for Economic Regional Development Assistance Agreements to be signed with the provinces and the moneys provided so that everyone will be treated equally.

• (1730)

I have a letter here that I would like to put on the record. It is from the Intergovernmental Affairs Minister in Alberta. It shows that on a per capita basis Alberta received substantially less than all other provinces in the first five years of the ERDA phase. This pattern was set by decisions of the former Liberal Government in 1983-84. However, very little progress has been made in the past four and a half years to effect a fair share for Alberta.

The Government certainly has an obligation to sign a new agreement and give Alberta equal treatment with other provinces.

[*Translation*]

Mr. St-Julien: Mr. Speaker, I appreciate the comments of my colleague, the Hon. Member for Calgary Northeast (Mr. Kindy). I want to mention, first, his comments about *la belle province* of Quebec where he was twice a candidate. So he is well aware of our potential.

Regarding agreements that should be renewed, I think he reads a great many newspapers these days, and we know that what newspapers convey is sometimes hypothetical or speculative. I believe our Government will listen to the people of Canada and in the next budget we will remember all the regions, the East, the West, the North and the South.

Mr. Desjardins: Mr. Speaker, I listened very carefully to the speech of my colleague and neighbour since he represents a riding in Abitibi that is next to mine in Témiscamingue. He made a long plea to the effect that tourism is an important economic and job-creating activity. If there is a region where little money has been invested in the past, it is Abitibi-Témiscamingue, in northern Quebec, a remote area where the Liberal Government never cared to put money to develop tourism.

So I would like to ask my neighbour, the Hon. Member for Abitibi, how, from the $75 million the Government has allocated for North-West development, we can expect tourism to be developed in a region such as Abitibi-Témiscamingue?

Mr. St-Julien: Mr. Speaker, as my colleague from Timiskaming has mentioned, we have known since 1984 that nothing much was being done in the large regions. We know that Témiskamingue and Abitibi cover—I am saying this for the benefit of my colleagues opposite and my neighbours—an area of 800,000 square kilometers, which is over half the Province of Québec. And, as my colleague has mentioned, we know that, under the new program for outlying areas, the people involved in

promoting tourism in our region, including the Abitibi-Témiskamingue regional tourism association in Rouyn-Noranda and the convention bureau in Val-d'Or, will try to get as much money as possible for the outlying areas, the resource regions.

If we have received those funds for tourism development, it is due to the Hon. President of the Treasury Board (Mr. de Cotret) who has been looking after the remote and poor regions of the country. The same goes for other regions such as Vancouver and the Maritimes. The Hon. Members have to do their job, pressure the Government and find good projects. That is why my colleague from Témiskamingue was saying: "We are ready because we understand the Government's message, we understand that there are good programs in place, while that wasn't the case under the old Liberal Government that lasted 20 years. And nothing much was done in Abitibi-Témiskamingue."

Mr. Tremblay: Mr. Speaker, I would like to comment on policy, regional development and funds allocated to regional development under this Government's policy. It is very clear that at various times, depending on the prosperity of different regions, Mr. Speaker, the funds allocated per capita in each province will vary, for a good reason: the main purpose of regional development policies is to reduce inequalities. There was a time when southern Ontario received fairly large amounts several years ago, while the West was booming—

An Hon. Member: No!

Mr. Tremblay (Rosemont): Under the regional agreements, it is true. It was $536 million, just for the sake of comparison, over the last five years. It is clear that if a region becomes much more prosperous and another one has difficulties, like Western Canada, the allocation of funds is changed to restore the balance.

But there is an even more important factor: that is why coordinating agencies like the Department of Western Diversification have been created. You must not take only one factor but the whole set, and the agreements cover only part of the regional development funds. The Western Diversification Department has very large funds and works with all governments and Westerners to promote development. And I am convinced that the Department is open to continuing discussions on the agreements.

[*English*]

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Eglinton—Lawrence on a very short question and a very short reply.

Mr. Volpe: Mr. Speaker, I could not resist the opportunity to rise and express my dismay at the presentations we have had over the course of the last couple of minutes. I want to applaud the Hon. Member for some of his valuable and valid positions. I was almost ready to accept that there was some merit to what the Hon. Member was saying.

Quite frankly, I was rather confused, and I saw some Members opposite express the same type of confusion, about the nature of the distribution of wealth. While there are many valid projects and programs that deserve attention, I noticed the Hon. Member for Calgary Northeast (Mr. Kindy) and other Members opposite questioning the validity of the position of the Hon. Member—

The Acting Speaker (Mr. Paproski): Would the Hon. Member direct the question to the Hon. Member for Abitibi?

Mr. Volpe: Does the Hon. Member believe the concept of the distribution of wealth and equality through ERDA represented by a perception of how one must most quickly pillage the Treasury? If in pillaging the Treasury—

Mr. Horner: You ought to know all about that.

Mr. Volpe: The Hon. Member says that we might know about that. We have had four years of observing the masters at work. We want—

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member would put his question, because one of his colleagues wants to speak next.

Mr. Volpe: I will give him an opportunity to do that quickly. I know the Hon. Member has something right to say.

My hon. friend was talking about the redistribution of all this wealth. Is the Hon. Member going to make strong submissions to the Minister of Finance (Mr. Wilson) so that the ERDA agreements to which he alluded will be applied properly and vigorously?

[*Translation*]

Mr. St-Julien: Mr. Speaker, I wish to say very briefly that since 1984, thanks to our Prime Minister (Mr. Mulroney), the funds have been distributed fairly throughout Canada and in all sectors of our great country. Were we to receive $75 million tomorrow morning for the regions of Abitibi and Témiscamingue, we would know how to use them there.

But I thank our Government, the Prime Minister and the Minister of Finance (Mr. Wilson) for the next budget.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Saint-Léonard (Mr. Gagliano).

• (1740)

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I should like to take part in this debate and state that earlier this morning my colleagues in the Official Opposition set forth our position with respect to the over-all objective of this Bill to establish the new Department of Industry, Science and Technology.

First, Mr. Speaker, before talking about small business as an economic sector I want to say that this Government has already begun tearing down the old department by creating the Atlantic and Western Canada agencies. After that, as you may recall, we witnessed the fiasco or scandal of the Minister of Regional Development, particularly when an inquiry had to be launched because he had spent more money that had been allocated to his budget!

So in that sector, Mr. Speaker, the Conservative Government has had its share of problems over the last four years. And today they would have us subscribe to this new philosophy—indeed this morning the Minister used such words as 'consultation, excellence, leadership, entrepreneurship'. Mr. Speaker, that is just another smokescreen, nothing but pious wishes, but what he is actually trying to say is that we are fresh into our new mandate, we have four years to make studies, but nothing concrete will ever come out of it.

Mr. Speaker, allow me to quote from page 3 of the Bill, subclause 8(*c*):

> (c) develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses.

Mr. Speaker, in Canada today there are 850,000-odd small businesses with fewer than 50 employees and, in the last few years, these 850,000 businesses have created 85 per cent of all new jobs in this country. Therefore any economic policy we plan to develop in this country ought to take into account the fact that we need small businesses operating in a stable environment and that growth has to come from that sector.

Mr. Speaker, the total lack of coherent policies concerning small- and medium-sized businesses is a telling example of the philosophy of the Conservative Party and their public administration approach which favours wealthy people and major companies to the detriment of ordinary Canadians. During the few days after the Speech from the Throne I tried to find one single concrete initiative I might mention today to prove that sometimes—not often, but still—the Government shows some kind of interest in small- and medium-sized businesses. Not one did I find, Mr. Speaker.

Some Hon. Members: Not a one!

Mr. Gagliano: Not one single concrete initiative during four years, Mr. Speaker, but I did remember something. Last summer —

As you see, Mr. Speaker, I woke those Conservatives over there. Look at them. They cannot bear to hear the truth, Mr. Speaker!

Last summer, the former Minister of State (Small Business), flanked by two Conservative Government big guns—not just anybody, Mr. Speaker, but the Minister of Finance (Mr. Wilson), who will be hitting all Canadians with his Budget on the 27, and the Minister of Regional Industrial Development (Mr. Andre)—to announce the entrepreneurship institute.

Mr. Speaker, the Hon. Member for Rosemont (Mr. Tremblay) is waking up too. Earlier he said to his colleague: No, no, not those figures!

So Mr. Speaker, the occasion was so important those two big guns attended the press conference. And as I recall, we were given a beautiful entrepreneurship package on creative design. But once the creative design on the cover was turned over, there was nothing in that document to put small business back on their feet, give them expansion tools as he is now saying, and after almost a year he is still using that phrase.

But we noted a marginal aspect of that announcement, the announcement of that intrepreneurship centre to centralize research in that area, and during the press conference and in the press releases the Minister flanked by his two big guns told us it was done rapidly.

This has not been heard of since, Mr. Speaker. Clearly, if the idea was so good, if the Government really was serious about doing something for small business, they already would have done it. There was not one word in the Throne Speech. Finally, Mr. Speaker, this morning the Minister referred to it. Words, words, no action.

During the elections, Mr. Speaker, the Minister of International Trade promised $57 million to promote trade with the United States and the large regions in the world. Think of that! That minimal amount was spread over a number of years. So can you imagine what those $57 million spread over a number of years will produce?

Mr. Ricard: It is better than nothing.

Mr. Gagliano: The Hon. Member for Laval suggests this is better than nothing! Of course it is better than nothing! But there is something we should be clear about, Mr. Speaker. Is that one of those election commitments they can no longer honour?

An Hon. Member: As always!

Mr. Gagliano: Once the election is behind us, promises apparently are forgotten. If by any chance, by coincidence, the Government honour their commitment, and it would be a rare occurence indeed if that election commitment was honoured, how will that figure be distributed, Mr. Speaker? What will be the small and medium businesses' share of those $57 million? Small and medium businesses need tools, moneys to help their exports, not the large corporations, the Government's friends. They already are established on the markets. But looking at statistics, small businesses are not in exports at all.

An Hon. Member: Right!

Mr. Gagliano: So the $57 million is a drop of water in the ocean, Mr. Speaker.

As I said, Mr. Speaker, I really woke them up now. During their first term, the Conservative Government invested all their time and energies into the Canada U.S. Trade Agreement. But it's well known that agreement will be of benefit essentially to large corporations. There will be no problem for Northern Telecom nor ALCAN, who already are world scale corporations, established in different countries, Mr. Speaker. But not so for small businesses, because they will not have the means to export, and the Government will not supply the tools they need to do so.

Tell me, Mr. Speaker, how a company with less than 15 employees will be able to compete on these new markets which are supposed to be, from what the government says, a godsend and the perfect solution? We have already started to see what consolidation can do, and how some companies can destroy others. If that trend continues, Mr. Speaker, in just a few years, we will lose control over the mean which could help Canada to open up to the rest of the world, and also lose our ability to compete and stay competitive while keeping our Canadian identity. But because of the laisser-faire policy of this government, we will without a doubt be controlled by various interests and we will definitely become a colony again, just as it was in the beginning.

Mr. Speaker, as I have said, small businesses create 85 per cent of all new jobs in Canada. The government should realize that by slowing down the economic growth of these small- and medium-sized businesses, the economic welfare of our country will suffer. We have often suggested to the government ways to really help small businesses without spending too much money. All we have to do is help them deal with temporary problems, often of a structural nature, which take up too much of their time and affect their productivity.

An Hon. Member: Give us examples!

Mr. Gagliano: My hon. friend would like me to give examples. Be patient and you will get them. Four years ago—I give you some, but you never used any. Therefore, wait patiently. I will suggest some to you, and I hope that the Parliamentary Secretary will see that it is brought to the attention of his Minister.

If the Government tried to copy the American way, for instance, it could—These days, Mr. Speaker, the Governemnt is always copying the American way; if indeed we must, why do we not amend our Small Business Loans Act to make it competitive or in harmony with the American legislation which has a treshold of $500,000 in guaranteed loans, while even today, our Small Business Loan Act provides for a treshold of $100,000.

In 1984, the Conservative Government broadened the definition of small businesses, but kept the same ceiling, $100 000 while lowering the guarantee to 85 per cent. For this reason, it is useless to our small businesses. That is one of the recommendations we have been making for quite a long time.

Perhaps the Hon. Member sitting on the Government side should remember that the Official Opposition had a task force which travelled to throughout this country, made recommendations and published a report. We acted differently from the Government which carried out a consultation through out Canada, prepared a report and then put it away somewhere because it just could not bring itself to implement it. But we had a report printed and, if my hon. friend have not read it, I could provide them with a copy.

During the election campaign, I am sure they were aware for instance of our election platform on small and medium-size-businesses, our so-called RSSP. We are all aware that small businesses are faced with a major capitalization problem. They not only need loans, which they must pay back, but also capital stock. In fact, we are proposing a national REA. Take Quebec's case: It is the REA Program which has made it possible for a number of small and medium sized Québec corporations to operate nation wide, with Québecers providing the necessary capital.

For the past two years, we have been suggesting in the House a savings shares program for small businesses. It was part of our party platform. We have also suggested to the Government—during the debate on the tax reform, we took part in real battles in the House. The Government says it wants to help small businesses! Under the tax reform, the tax rate of small manufacturing businesses has increased from 10 to 12 percent. What do government members have to say about that? What did they do when we fought to get an amendment on that? They voted with the government for a 2 percent increase with tax rate of small businesses. Is this the way they stand up for small business! How can you talk about the Department of Industry, Science and Technology helping small business to compete with the Americans? Another vital sector, the manufacturing sector, has also been hit with a tax increase. That's a shame, Mr. Speaker.

Under this same tax reform, the government proposes a $500,000 capital gains exemption on sales of small business shares. We told the government that if they travelled around the country and talked to small businessmen, they would learn that shares are rarely sold in the small business sector. Capital assets are sold, not capital actions. Consequently, the Income Tax Act should be amended so that this $500,000 capital gains exemption apply to sales of capital assets of small business and not only of capital actions.

Once again, Mr. Speaker, the government refused. That is another policy suggestion of ours that they only applied during the election campaign, during the by-election in the riding of Lac-Saint-Jean.

One morning, in fact, the Conservative Party incumbent received an application from a group in Lac Saint-Jean wishing to start a business incubator. No program existed, there was nothing. Of course, he got approval from the Government, money, everything. The Conservatives did not come out later to say, since there had been an application during the campaign in Lac Saint-Jean, why not make it a national policy? Why not? That should be one of the roles of the new department.

Consider that incubator policy that could help our young university graduates getting into the labour market, who do not have the financial means to start a business, who lack the capital to pay the rent, hire a secretary or buy the essential equipment nowadays, computers, Fax machines and copiers.

They could have common services, and those with human resources could create services which would make us competitive and innovative. That is how this new Department could innovate.

However, I hope that the Parliamentary Secretary in this Department will speak a little louder on behalf of small business, because the present Minister—And I wonder why John Bullock, Chairman of the Canadian Federation of Independent Business, who fiercely defends small business once said: "The Department and the Minister of State for Small Businesses should both be abolished!"

Mr. Speaker, I wondered, but now I really understand what John Bullock meant. The judge put questions to the present Minister, but he did not even answer. That's right! For this Government, small business is no longer important. In fact, it is just something insignificant. It is the same great John Bullock who the other day withdrew from the Trade Alliance saying: "Finally I understand that this Government's philosophy is to listen only to the big guys and to forget about the little guys!"

Mr. Speaker, that is not just anyone! John Bullock is someone who has always defended the Government's policies over the last four years. And finally, he also saw the light. Now he is getting ready to attack, because—Imagine what is going to happen to small Canadian businesses when the new federal tax—I will have the last laugh, not Government Members when the new federal

sales tax is implemented. Imagine all those small businesses up to their necks in red tape, Mr. Speaker!

This Government keeps talking about its grand design. It thinks it can solve the world's problems with big words. If you listen to all the speeches, you realize that for the past week, the Minister of Employment and Immigration (Mrs. McDougall) has defended her program, and that practically everyone has come out against her unemployment insurance reform.

And there too, Mr. Speaker, they talk about training. Just imagine, they are going to take the money, about $800 million, from the Unemployment Insurance Fund, and we must not forget that one-third of Canada's labour force works for small businesses, so they are the ones that contribute to that Fund. Now the Government is going to take the money to pay for training in big businesses, because how can you provide training in a small business when there are only two, three, four or five employees, and when so many small businesses are really that small.

Mr. Speaker, you are signalling that my time has expired, and I am sorry about that because I have a lot more to say on the subject, but I have always been respectful of the Chair, and I will conclude, if I may, by saying that for four years, this Government never stopped helping the rich and big business, and always forgot the little people. And now, it is starting all over again: *Plus ça change, plus c'est pareil*! Their second term is worse than the first, Mr. Speaker.

• (1750)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

ABORIGINAL PEOPLES—SUSPENSION OF HUNGER STRIKE—MINISTER'S UNDERTAKING—REQUEST FOR COMMITMENT ON FUNDING—NEGOTIATIONS WITH ELECTED NATIVE LEADERS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, when I first rose in this House to question the Minister of Indian Affairs and Northern Development (Mr. Cadieux) over changes to native education policy two weeks ago, I was optimistic. I believed that the Minister was a reasonable person and in the interest of resolving the dispute he could agree to two simple things. First, there must be negotiations with the people affected by the policy. Second, the changes should not be implemented while negotiations are taking place. This seemed reasonable to me.

This Government claims to be willing to discuss its policies with anyone affected by them. Surely the same courtesy should be extended to native people as well. After all, the Minister of Finance (Mr. Wilson) has entertained a steady parade of business groups and Conservative think-tanks during the preparation of his Budget. In fact, the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre) recently defended meetings with the infamous Fraser Institute in the name of open consultation.

• (1800)

It seemed reasonable that the new policy dealing with Indian post-secondary education would be put on hold while the negotiations took place. If fair and open negotiations are to take place it seems that both sides must be willing to change their position and not come to the table with preconceived ideas, otherwise no true negotiation can take place.

Last week, I rose again to question the Minister on this matter. My optimism was dimmed somewhat but I still believed that the Minister was open to reason. I asked him to reconsider his refusal to begin negotiations, emphasizing the increasing danger to the health of the fasting Indian students. Incredibly, it is necessary to continue this debate. As we all know, there will be a debate on the subject over the next two days.

In good faith most of the fasting students called off their fast last weekend. In return, they expected the Minister to keep his promise to begin bilateral negotiations.

In this spirit of renewal they met with the Minister on Tuesday, along with representatives of Indian leadership. However, the Minister betrayed this spirit of renewal. He stated at that meeting that he would not impose a

moratorium. On the one hand the Minister insists on good faith, his willingness to compromise and his openness to new ideas. Yet, on the other hand, he presents native people with a *fait accompli*. How can Indian people engage in meaningful negotiations if the policy is all ready to be implemented and already decided upon? By making up his mind before hearing the analysis offered by First Nations from across the country the Minister is not negotiating in good faith in this issue.

Earlier, the Minister refused to negotiate when the students were fasting, saying he would not be held hostage. Yet at the same time he wants to hold the negotiating process hostage to his own artificial deadlines. He makes up his mind and then asks for native contributions. The Minister has made a mockery of the consultative process that the Government represents as part of its strategy.

In response to the Minister's stubborn refusal to negotiate in good faith, several students have continued their fast. Melinda and Debbie Sault are on their twenty-ninth day of a hunger-strike. I spoke to their mother just a few days ago. I have spoken to other hunger-strikers in Saskatoon also. They are concerned with their weight loss. They are concerned with their health. They are concerned, as doctors are, that permanent damage to their health could occur as their bodies start digesting themselves.

This has been a life and death situation and remains one for these young people. Yet the Minister has turned a deaf ear to their plea. All they want is to negotiate and to delay implementation until negotiations are complete. Is this unreasonable? I think it is not. I do not think any person giving it a moment's thought would think it an unreasonable request. Yet the Minister has continued to deny them.

The support for Indian post-secondary education is a moral and historical obligation of the Canadian Government. Our country is built on an enormously valuable land-base provided by our First Nations. In return, natives were promised many things, including education. This year, 15,000 students attended post-secondary institutions. Yet native participation in post-secondary education in Canada is still far below the rate for non-Indian students. The program has grown over the past 10 years. Many students have graduated. Some 90 per cent of those graduates find jobs. Education is the key to native future, to the future of our first peoples. Yet the Government wants to cut off this future.

The decision of the Minister and the previous Minister to cap funding for native post-secondary education is both unjust and immoral. However, given that morality and justice are foreign to this Government, let me turn to an argument based on economics to which it seems to be much more in tune.

In the name of financial efficiency the Post-secondary Assistance Program has been kept. No longer will funds be provided to meet demand but individual bands will be required to allocate funds only to some students. Rationing of education will take place. The bands will be divided. The budget is limited, and that ends the thinking process of this Government.

If this is false economy, what is more expensive, four years of education or 40 years of welfare? Native people are mired in poverty and unemployment. Education is a proven way out. Educating native people today will save millions in welfare, penitentiary and health expenditures tomorrow. Where is the good business sense this Government claims to have? Where is the compassion the Government claims to have?

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, on April 7, 1989, the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy) raised concerns about the bilateral process for reviewing Indian post-secondary policy. I would like to provide some background to this matter so that there might be a better understanding of the commitment by the Minister of Indian Affairs and Northern Development (Mr. Cadieux) to a joint review of the policies with the Indian leaders, students and Department officials.

The new policy has major improvements over the previous program. These have resulted from consultation with over 500 Indian bands, with tribal councils, with students and educators. These are consultations which took place in 1988.

The program provides tuition assistance. It provides a new approach to the provision of living allowances. It provides adjustments to the rates of assistance, including special allowances for high rental areas. In addition, up to 5 per cent of the students will be eligible for scholarships of $3,500 for successful study in a range of programs supporting self-government and economic development. Also, the new policy includes an annual scholarship of up to $1,000 based on academic achievement.

The Government is committed to Indian post-secondary education. In the Minister's letter to the chiefs and councils on March 20, 1989, he indicated that the budget for the program rose from $4.2 million in 1975-76 to over $130 million in 1989-90. It is the Government's intention to continue to meet any future increased demand for post-secondary assistance through controlled budgetary increases.

The objective of the new policy, which is to apply to students enrolling this September, 1989, is to produce more graduates, and to encourage students to take programs of study which would assist Indian self-government and economic self-reliance.

The previous policy was deemed inadequate by the Assembly of First Nations in its review of education. Now, as a result of the new policy, Indian education authorities have increased control over their own administration of student assistance programs.

The Minister has indicated on many occasions that once the hunger-strike is over he is ready to undertake a bilateral process of discussion over the next few months to review the policy, to try to resolve any outstanding concerns and issues. These discussions would involve both the students and the Indian leaders. The Government is looking forward to a continuation of this very successful program.

AIR SAFETY—REQUEST FOR REPLACEMENT OF MINISTER/ REQUEST FOR PUBLIC INQUIRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is my privilege to participate in the adjournment debate this evening. However, before I do, I want to make a couple of brief comments unrelated to the subject matter at hand.

First, if I could be a bit of a John Warren, I would like to let people know that immediately after the adjournment the Newfoundland election will be carried on the parliamentary channel, followed by the rerun of Question Period today. I say that just in case anybody is out there watching.

Second, I want to congratulate my colleague, the Hon. Member for Fraser Valley East (Mr. Belsher), on his appointment as Parliamentary Secretary to the Minister of Transport. The Hon. Member was involved considerably in the Transport Committee in the previous Parliament. I know that he will bring to his new position an understanding of the issues as well as with respect to how the Transport Committee works. I look forward to working with him.

• (1810)

I did something that I don't like to do, Mr. Speaker, and it is something that I haven't done in a previous Parliament. I requested that a Minister of the Crown be removed from office. I did it after great thought. I did it not because somebody else had already suggested the same thing time and time again. Too often in this House the immediate reaction is that if we don't like something that has happened, it is off with the head of the Minister.

I think what has been happening in Transport over the last five years is a lack of control. It has been getting worse. In our parliamentary system, it is the Minister who is ultimately responsible for what happens. Now the current Minister is a gentleman. I have no hesitation whatsoever in saying that. He is stuck with a real problem.

It started with the Deputy Prime Minister, then Minister of Transport, who followed the lead of the Liberals in deregulating air transportation and other modes. The Minister for International Trade did not appear to care about what was happening within the Ministry. Now a Minister has inherited a Ministry that is driving the ship. In a lot of ways, it is providing him with advice that is less than appropriate for what has happened in the industry.

Why do I say all this? When we were dealing with the White Paper *Freedom To Move,* when we were dealing with Bills C-18 and C-19, there were two favourite expressions. The Government, Minister after Minister, said that this new policy of leaving it to the market-place as opposed to public convenience and necessity would in no way endanger safety, that safety was the number one concern of the Government. In no way would they allow any of this to have a negative impact.

The Liberal Party, in their re-found, reborn-again opposition to deregulation—they were the ones who started it in Canada. There is no question about that. The Member for, I believe, Fort Garry was the one who, as Transport Minister initiated it. We were saying, "Listen, there are going to be some problems created. When it comes down to a decision between meeting the

bankers' demands and being concerned about safety, even though you don't like to do it, and we were thinking of the small carriers on the air side, one would end up having to meet the bankers' demand of payment versus that extra $500 cost for de-icing a plane or replacing a wheel-bearing." Even though the specs said it was good for another 200 miles, the industry norm was replacing it then. It was held off. We suggested that those kinds of things were going to happen. We were pooh-poohed. We were told at the time that that is not going to happen. These companies are responsible. They would never jeopardize safety.

As we have seen in the United States where equipment is being used for longer and longer periods of time, we have major structural failures. We have one airplane that looks more like a convertible, another that loses a door, others that have cracked wings. All of these planes are in the 20-year age group ,which under a regulated environment in the United States, because of the stability of the industry, and stability means a decent bottom line, means that those planes would have been replaced at an appropriate time.

Instead, because of the nature of the competition, drastic reduction in fares in some cases, and we have seen in the States the number of airlines going out of business, that kind of competition has pushed the carriers to the limit. They have used their equipment longer than they should have. We are seeing the results of that.

In Canada, while we in the Opposition were being pooh-poohed when we warned that this could potentially lead to accidents or failures of equipment, deaths or injury, Transport Canada was saying to the Deputy Minister of Transport that resources were not available to deal properly with the deregulation of air in Canada. It said:

> The shortage of trained, experienced inspection staff and other personnel has seriously impacted on the Directorate's ability to effectively perform its mandated tasks. The increase in the certification workload under economic regulatory reform, resulting from the need to service new and expanding air carriers, is affecting the Directorate's ability to effectively complete its ongoing inspection program, and thereby assure industry compliance with established legislation, regulation and standards.

It goes on and on. This is an internal audit branch document, a preliminary review of aviation regulations given to the Deputy Minister of Transport in June, 1987, the very same month that this House passed Bills C-18 and C-19.

It was October of that year when the first part of those Bills was proclaimed. This Government knew, at least at the bureaucratic level. I cannot believe the Deputy Minister did not advise the Minister at the time that this document existed and of the warnings that were out there. Yet the Government did nothing about this. It did not make sure there were air traffic controllers. It did not make sure there were inspectors, et cetera.

I look forward, Mr. Speaker, to the response from the Parliamentary Secretary. He knows, I know and you know that we are going to continue this battle another time as we put in place the preventive measures necessary.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, let me say thank you to the Member opposite for his warm greetings at the beginning of his dissertation. I do look forward to continuing to work with him on the Transport Committee. I must say though in response to his question that I can only reiterate what has already been stated repeatedly both in this House and elsewhere. Canadian skies are safe. Events in recent months have served to undermine the confidence of Canadians in the Canadian Aviation Safety Board. In response to these concerns, on March 29, 1989, the Minister announced the appointment of Mr. Justice Estey to review the entire record of the Gander accident investigation with a view to advising the Minister as to whether any further investigation or inquiry is warranted. The Minister also announced the appointment of Mr. Justice Moshansky to conduct a judicial inquiry into the Dryden accident.

Earlier this week members of this House completed second reading of Bill C-2, an Act to establish the Transportation Accident Investigation Board and to amend certain Acts in consequence thereof. This Bill is now before the Standing Committee on Transportation which will begin its deliberations next week. As a member of that committee, I would invite the Hon. Member to join with us in our efforts to provide Canadians with the best accident investigation body possible.

The Minister is prepared to consider any amendment which will serve to enhance transportation safety. Furthermore, while the Minister and his senior officials believe that the inspection resources of the Department of Transport are adequate to the present requirement, nevertheless the Minister intends to avail himself of the expertise of both industry and Government to assist him in ensuring that we have the right resources and that they are used in the right way in order to meet the changing needs of the future.

With specific reference to Lester B. Pearson Airport in Toronto, I would remind Hon. Members that the Ministers have recently completed extensive consultations which will lead to the development of a comprehensive plan for the whole of the southern Ontario airspace. An announcement will be made in due course.

I would like to emphasize that while we do have a shortage of air traffic controllers in Toronto, the traffic flow is always matched to the controllers' ability to handle safely the traffic. This means delays, not a decrease in the level of safety. I would also like to assure Members and the travelling public that every conceivable effort is being made to rectify the shortage situation.

GENERAL AGREEMENT ON TARIFFS AND TRADE—BRITISH COLUMBIA FISHERY—PROCESSING OF FISH IN CANADA/LANDINGS OF SALMON AND HERRING.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, it would appear that the Government has in fact reached a final decision as to its response to the GATT ruling of 1987 which found against the current regulations which have prevented the export of raw, pink and sockeye salmon and of herring from British Columbia. However, a number of issues remain. For example, in the new regulations which we are told are to be issued, there is the question of which specific provisions they will contain in terms of grading and inspection of the fish landed.

• (1820)

The concern has been raised that all that will occur is that raw fish will be landed at landing stations in British Columbia only to be purchased by American buyers and shipped directly to the United States.

The Minister for International Trade (Mr. Crosbie), has given the House his assurance that the so-called "Murphy 2" proposal will be rejected by Canada. This proposal would have permitted Canadian fish caught by Canadian vessels to be shipped directly to U.S. ports where a Canadian official would be able to count the fish for the purpose of our conservation efforts. For Canada to even entertain such a proposal is totally unacceptable to British Columbia's fishermen and to the industry.

On another point, what effect have the efforts of the U.S. Trade Representative, Carla Hills, had on influencing the Canadian Government? According to a statement from the U.S. Trade Representative's office on March 28, hearings will be conducted into which Canadian fish products will be targeted for further trade sanction actions.

The list which was released by the U.S. trade office lists 18 fish products. I will just mention those that are appropriate to the B.C. coast. They include salmon, whether it be canned, filletted, smoked or salted; turbot, filletted; other fish roe; other fish, filletted; other fish, minced or not. It would seem to include almost every commercial product processed in British Columbia.

In the communiqué issued by the Trade Representative's office, the public, particularly the U.S. industry, is being invited to propose additions to the list just in case anything was left out.

If the Government accepts the provision whereby fish would be landed in Canada without any processing whatsoever, only to be sold in the U.S. in the hope of avoiding U.S. trade action, I believe it is being extremely naive.

Section 304(e) of the American implementing legislation of the Free Trade Agreement states the following:

> (1) Within 30 days of the application by Canada of export controls on unprocessed fish under statutes exempted from the Agreement under Article 1203, or the application of landing requirements for fish caught in Canadian waters, the President shall take appropriate action to enforce United States rights under the General Agreement on Tariffs and Trade that are retained in Article 1205 of the Agreement.
>
> (2) In enforcing the United States rights referred to in paragraph (1), the President has discretion to—
>
> (A) bring a challenge to the offending Canadian practices before the GATT;
>
> (B) retaliate against such offending practices;
>
> (C) seek resolution directly with Canada;
>
> (D) refer the matter for dispute resolution to the Canada-United States Trade Commission; or
>
> (E) take other action that the President considers appropriate to enforce such United States rights.

Thus, within a month of any new landing requirements, regardless of how ineffective they might be, the Americans are more than likely to begin the process of trade action against them.

Fishermen, as represented by their unions, and our fishing industry have joined in expressing concern that Canada may give in to the United States pressure with respect to the West Coast industry. The fear is that our Government may do this in the hope that the United States will not take any similar steps with regard to the East Coast.

If they win, the next time the Americans could demand that East Coast restrictions be brought into line with the GATT. Article 1205 of the trade agreement states: "The parties retain their rights and obligations under GATT and agreements negotiated under GATT". Thus the exempted provincial provisions could be open for challenge before GATT.

Given the precedent of giving in on the sea regulations, they are more likely than ever to fall by the wayside as well.

As Geoff Meggs, editor of *The Fisherman* in British Columbia, said: "If we have lost our right to process our own fish then how can we require that Canadians catch the fish in the first place?"

On March 21, 1988, the former Minister for International Trade told the House that salmon and herring caught off the Pacific Coast will be landed in Canada in order to ensure accurate catch reporting, inspection, grading and quality control. Will the Government today declare forthrightly and unequivocally that it intends to live up to those words?

Mr. Ross Belsher (Parliament Secretary to the Minister of Transport): Mr. Speaker, the Hon. Member opposite knows that this complaint which originated with the U.S. fishing interests in Alaska, was that Canadian processors were buying up substantial quantities of Alaskan salmon and herring while U.S. processors were denied any access to unprocessed salmon and herring from Canada. The U.S. took the issue to the GATT where a clear finding was made that the Canadian export restrictions on unprocessed Pacific pink and sockeye salmon and herring violated international trade rules.

In March, 1988, the Government announced that it would remove the GATT inconsistent export restrictions. The Government's announcement also stated that concurrent with this removal, new GATT-consistent regulations would be introduced to ensure that salmon and herring caught off the Pacific Coast will continue to be landed in Canada, to ensure that our well recognized fish conservation and management programs are not compromised.

The Government undertook an extensive consultative process in 1988, to seek industry's views respecting the development of a GATT-consistent landing requirement which would ensure maintenance of the conservation and management system related to Pacific salmon and herring. An industry advisory committee was created which, in September, 1988, submitted a series of recommendations for consideration.

The recommendations were subjected to an extensive review and analysis, including an evaluation by eminent independent GATT experts, to ascertain if the proposed landing requirement system would be GATT-consistent. The answer was yes, and the system, developed with the industry and the independent GATT experts, was discussed with the United States and is now part of the regulatory amendments.

Throughout this issue the Government has maintained the position that Canada will fulfil its GATT obligations while at the same time safeguarding the essential interests of the West Coast fishing industry through GATT-consistent regulations.

The regulatory package requiring the landing of both Pacific salmon and herring at shore based landing stations has been fully reviewed and supported by the industry and the Province of British Columbia. The Government has been moving on a fast track to implement the new regulations and it is expected that they will be completed before April 26, 1989.

With respect to the Pacific herring roe extraction activity, the Government is determined to ensure that this activity will continue to be carried out in Canada through measures that are GATT-consistent. Various possible measures are under consideration in consultation with the industry.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Friday, April 21, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—POST-SECONDARY EDUCATION FUNDING—NATIVE PEOPLES

Mr. Robert D. Nault (Kenora—Rainy River) moves:

That this House recognize that the Government's arbitrary and misanthropic policy of unilaterally capping future funding for post-secondary education for Canada's native peoples severely undermines the right and efforts of these peoples to enhance their capacity to make meaningful and lasting improvements to their economic and social conditions and to establish their self-reliance, thereby condemning them to unacceptable living conditions and driving them to desperate measures; and

That this House urge the Government to terminate its plans to cap this funding and to take steps to establish effective bilateral consultations on this and other matters vital to the improvement of the lives of and the ending of discrimination toward these Native peoples.

He said: Mr. Speaker, I am very pleased to rise in the House today in order to debate the issue of native post-secondary education assistance. What does not please me is having to debate this issue at all. The Government's lack of sensitivity to Canada's First Nations people and its lack of understanding of the issues facing them are appalling.

Under a former Liberal Government, funds were committed to the Assembly of First Nations to allow this organization to conduct an intense and thorough review of education for native peoples. This Government lived up to the former Liberal Government's commitment by channelling the necessary funds for this review. This review was recently completed at a cost of $6 million.

What I fail to comprehend in all of this is that the Government, so apparently concerned with spending, has not given this review any consideration whatsoever. The Minister's officials initiated their own review of the E-12 guidelines, knowing full well that AFN was conducting a similar review. Does the Government not trust the native people of Canada to come up with a policy which would be of benefit not only to the native people but also of benefit to the Government?

It is obvious to all members of my Party that the Minister of Indian Affairs and Northern Development (Mr. Cadieux) has been sandbagged by officials in his own Department. A 1972 policy adopted by a Liberal Government advocated Indian control of Indian education which would see Indian communities taking over the responsibility of education. This policy was developed after the 1971 subcommittee on Indian education heard from the National Indian Brotherhood, now known as the Assembly of First Nations. The NIB had prepared a policy paper which laid the groundwork for federal acceptance of the 1972 policy. This is what consultation does. A Government demonstrates leadership by consulting with the people most affected by a given policy.

Many Hon. Members will no doubt recall the Penner report on Indian self-government which was tabled in this House in November 1983. I need not remind Hon. Members that this report was unanimously endorsed by all three Parties. The Penner report identified education as a critical area of concern. Witnesses appearing before the subcommittee on Indian self-government stated time and time again that First Nations must have control of legislation and policy in order to ensure the survival and development of Indian communities.

In the closing chapter of the Penner report, it states:

> The Committee is strongly convinced that a major change in the orientation of federal policy must occur. The federal Government must establish new relationships that will enable Indian peoples to break out of the vicious circle of dependency, poverty and despair that now grips them.

This statement is a strong one. It is obviously not a statement the Government understands. If the Government really understood the meaning of establishing new relationships, it would have taken the time to properly consult with First Nations on changes to the E-12 guidelines. This Government could have avoided the backlash against this new policy for native post-secondary education. Had the Government taken the time to negotiate on a bilateral basis, many students would not be risking their lives today by fasting.

• (1010)

Both opposition Parties in the House have raised this issue no fewer than 15 times in the last 14 days of sitting. The Minister claims to have listened to the native peoples of Canada on this issue. If the Minister had really listened to the Indian people, this debate would have been totally unnecessary.

The Government fails to understand that post-secondary education for our native peoples is the key to self-determination and economic self-reliance. Yet the Prime Minister (Mr. Mulroney) and members of his Cabinet have repeatedly stated that the country's future is dependent upon economic development. This seems to be a contradiction in terms. Does the Government have one opinion for non-native people and a different one for native people?

The policy is not only restrictive, but it is regressive. By capping the funding for native post-secondary education assistance at $130 million, the policy will restrict the number of native students enrolling in post-secondary institutions. This policy is regressive because it has undone everything which has been achieved by our First Nations in the area of education since 1971.

The changes in this policy will restrict the development of Canada's First Nations and condemn many of them to continuing dependency on the Government from birth until death. Under this Government, Canada's First Nations peoples will not achieve self-determination, nor will they achieve economic self-reliance. This Government has in essence put an end to the hopes and aspirations of many young native people.

I represent 46 native communities in my riding. Many of them have very active and successful economic development projects in the works which will ensure economic self-reliance in the years to come. Jobs have been created for their people. Welfare payments have decreased and so has drug and alcohol abuse. These results have largely been achieved by people who have been through the post-secondary education system and who have returned to their communities with the skills and the knowledge to carry out these policies.

It is no secret that the unemployment rate in our Indian communities runs anywhere from 80 per cent to 95 per cent. It is also no secret that many of our Indian peoples do have not have the minimum number of weeks required to qualify for unemployment insurance benefits. The proposed changes to the Unemployment Insurance Act will make matters even worse for our First Nations' peoples. As a result, many of them are on welfare. Last year some $316 million was spent by this Government on welfare pay-outs to Indian people. The changes to the native post-secondary education funding combined with changes to the Unemployment Insurance Act will result in welfare pay-outs of more than $400 million in the next year.

If this Government was committed to deficit reduction, it would lift the cap on native post-secondary education funding. It would not restrict the number of native students enrolling in post-secondary institutions, and it would soon see a dramatic decrease in welfare pay-outs to the Indian people.

The success stories of the native post-secondary education assistance program are many. Nine out of ten native students graduating from post-secondary institutions are employed. For Hon. Members on the opposite side who fail to understand economics, this means that 90 per cent of them have jobs. I remember clearly the words of the Prime Minister during the 1984 election campaign: "Jobs, jobs, jobs". Surely the Prime Minister and his colleagues can understand this.

Indian and Inuit lawyers, doctors, nurses, teachers, and administrators, to name a few, have successfully completed their studies, thanks to a post-secondary education. Those who have chosen not to return to their communities now pay taxes to the Government. I am certain that the Prime Minister and his colleagues understand this.

Canada's native peoples want to make a contribution to society. They do not want Government hand-outs, and they certainly do not want to be dependent upon the Government from birth until death.

I have been listening very carefully to what the Indian peoples have been saying on this issue. The Minister has not been listening, contrary to his very own popular belief. Yes, the Minister has met with the First Nations leaders, and yes, he has stated that he is committed to a bilateral process and the Minister has stated that he will listen. However, I do not believe the Hon. Minister understands what is at stake. If the Minister and his officials had only undertaken a full bilateral consultation from the very beginning, we would not be here today debating this very critical issue.

Once again the Minister will tell us that he has consulted with the Indian people. I have yet to come across a single individual from the native community who supports the restrictive and regressive changes to native post-secondary education funding. Not one.

In fact, I have received well over 1,500 individual petitions from native communities, and more than 100 letters from various native groups and associations, all of which are in my riding. I will bet that the Minister's office has been bombarded with letters and petitions opposing the changes to native post-secondary education assistance. How can the Minister and this Government state that they have consulted with the Indian peoples?

The priorities of this Government are misplaced. Let us compare what it costs to put a young native student through college or university with what it costs to support that same native student on welfare. At today's rates a young native student can get a good, solid education for approximately $35,000. Once that young native student graduates, he or she finds a job and is self-supporting.

Now let us look at what it would cost the Government to support that same native student by way of welfare. If the Government had to support the student by way of welfare for the rest of his or her life, and providing that the individual remained unmarried, it could cost the taxpayers close to $300,000. Imagine what the costs would be if that same individual were to marry and have three or four children. Where is the logic?

When it comes to paying the costs for holding native youth in jail, there is no shortage of government money. There is no shortage of government money either when it comes to paying a lifetime of welfare and poverty.

This Government has under-estimated the strength of Canada's aboriginal peoples. We have seen demonstrations at Indian Affairs offices across the country, resulting in the arrests of several native people. We have also seen protests by our First Nations here on Parliament Hill, and we have seen hunger strikes by native students frustrated by this Government's new policy. The First Nations will continue to oppose the policy of the Government with respect to native post-secondary education. The opposition Parties will continue to oppose this policy. The Government will not be let off the hook until the Minister of Indian Affairs agrees to some serious bilateral negotiations, without deadlines and restrictions, with the native leadership.

The Minister of Indian Affairs will not lose face by admitting that he has made a mistake. In fact, if the Minister will only compromise on the question of bilateral negotiations without deadlines, he will be respected and admired for his commitment to the Indian people of Canada. I am afraid that if the Minister does not move quickly on this issue, he will lose all credibility with the people for whom he is responsible. If that happens, the Prime Minister will have no other choice but to remove him from his duties.

Support for the First Nations' views on native post-secondary education is growing. Many non-native Canadians have had an opportunity to truly look at both sides of this issue and have come to understand and support First Nations in their fight against these restrictive and regressive changes.

The native leadership and students have received support from the Canadian Federation of Students, from university professors, from teachers, from labour organizations, from churches, from social justice coalitions, and from our very own Human Rights Commissioner. How can the Government continue to ignore the importance of this issue? How can this Government implement changes to a policy without proper consultation? It is time for the Government to live up to its commitment of a bilateral negotiation process with the native leadership and the students. It is time for the Minister of Indian Affairs and Northern Development to make peace with the native peoples and negotiate in good faith without time limits.

• (1020)

I sincerely hope that the Government, and in particular the Minister who is here today, will have paid close attention to what I have said and I hope that it will pay close attention to what Hon. Members speaking after me will say.

The future of Canada's First Nations youth lies with the Government. Let us all hope that the Government will not take away their hopes and aspirations but instead will give them a secure future filled with dreams and ambitions.

Mrs. Dobbie: Mr. Speaker, will the Hon. Member tell me why he believes that $130 million is not a sufficient amount to cover the education of the students who are in need of help for post-secondary education in the coming year? Why does he think that $130 million is an insufficient amount of money to cover these educational needs? If the Hon. Member does have an indication that that is insufficient, can could he tell us from where he got his figures? According to our estimates, that is a sufficient amount of money to cover the needs of every Indian student seeking post-secondary education in the coming year.

Mr. Nault: Mr. Speaker, I thank the Hon. Member for her question. I am pleased she asked that question because I was hoping it would come up.

It must be obvious to the Government that it did not consult with the native communities on this particular new policy, otherwise the Government would not have to ask this type of question. I have met with many native leaders in the last few weeks on this issue. The question has been put to them very succinctly. There will not be enough dollars to pay for the future generations of the First Nations people. It is obvious these individuals will not get into the system because they will not qualify under the policy of the Government.

Mr. Bouchard (Roberval): How much?

Mr. Nault: I will tell the Hon. Member right now that during the next few weeks, I, as a member of the Standing Committee on Aboriginal Affairs, will ask the Minister that particular question, namely where he gets his numbers. There seems to be a conflict of information right now. We will soon find out from him, the man with all the numbers, exactly where he got his numbers and we will be more than pleased at that time to give him ours.

Mrs. Dobbie: Mr. Speaker, the Hon. Member did not answer the question. He seems to be basing his estimates on very vague unsubstantiated ideas.

An Hon. Member: Where did you get your numbers?

Mrs. Dobbie: I ask the Hon. Member to answer the question and tell us why he does not think $130 million is enough to cover the post-secondary education needs of the Indian students for the coming year? Will he answer that question?

Mr. Nault: Mr. Speaker, I will answer that more specifically. Last night I met with a native student who has been unable to go to school this semester because she could not get a grant. She could not get the money from Indian Affairs to attend. She is sure that she will not be able to attend next year for the same reason, that she will not be able to get the money.

I would be more than happy to give the Hon. Member the name of the person because the student happens to be in a riding of an Hon. Member sitting on the other side of the House. As a member of the Blood Tribe, this person can tell you there is not the money in the program to put people through university next year.

Mr. Allmand: Mr. Speaker, will the Hon. Member explain to the hon. lady on the other side of the House who just asked the question that the amount of money allocated is not enough because the number of Indian children wanting to go on to university is increasing, the total population of Indians is increasing and because of Bill C-31 which was passed a few years ago. Would he explain that to her and also explain that if the Government would cancel one nuclear submarine at $1 billion, the Government could cover this whole matter very easily.

Mr. Nault: We will be all in favour of that, Mr. Speaker, and I thank the Hon. Member for his statement.

First, the Government seems to have lost the understanding and the feeling for what is taking place in the native community. There was a population explosion in the native community as in the non-native community in the last few years that has caused this great need of money for native education to the tune of what individuals on the opposite side of the House are saying is a phenomenal amount of $130 million. I have been told by the native communities in the last few days that that explosion has stopped. The birth rate of the native people has levelled off as it has in the non-native society. The amount of dollars needed will peak very quickly and then will drop in the years to come. We have almost come to the point where we need that money to put the new generation through the university and college system. In the years to come the demand will start levelling

off. Now is not the time, because of the population growth in the native community, to cap the amount of money. Now is the time to put dollars into the system so that children can go to college and university to get an education and help their own people.

If the Minister and his Party would have consulted with the native community, or if they had travelled to just one reserve, they would have heard this exact same thing.I would love to take them with me to Kenora—Rainy River and into one of the reserves up North to see the population. The majority of the population in reserves up North is made up of young children. That growth in the population will soon end. Now is not the time to make cuts in post-secondary education.

Mrs. Dobbie: Mr. Speaker, will the Hon. Member tell us what he means by the word "cap" in light of the fact that the budget has continued to expand 10 per cent over the past two years and will continue to expand in the future according to the needs of the Indian population? Perhaps the Hon. Member can explain to us what he means by the word cap when there is no cap on the program.

Mr. Nault: Mr. Speaker, obviously I have difficulty because the Hon. Member does not even know what a cap means. A cap means when you put a top on something and put a stop to it. The Hon. Member says that the money has been raised 10 per cent in the last couple of years—

Mrs. Dobbie: Each year, per year.

Mr. Nault: Each year? Does that mean that that is enough? Does that mean that now, because there is a population explosion in the native community, that just 10 per cent will do it? What if the population explosion is at 20 per cent and 20 per cent more children want to go to university and college? Is 10 per cent enough? We are saying you do not need a cap. What you need to do is assess on an ongoing basis—

Mr. Cadieux: That is exactly what I have said.

Mr. Nault: If you need more money you get it from Treasury Board. Why are you putting a cap on it?

Mrs. Dobbie: There is no cap.

Mr. Nault: There certainly is a cap.

Mr. Cadieux: No.

Mr. Nault: If the cap is on there because the Government said $130 million is all these students will get for the upcoming year—

Mr. Cadieux: No.

Mr. Nault: If the Hon. Member did not think there was a cap, why is the amount of money at $130 million? Why not say that is what we are starting with and if we need $150 million, the Government will be more than willing to go and get it.

Mr. Deputy Speaker: The period for questions and comments is over. Resuming debate.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to begin by expressing my appreciation to the Minister who has agreed to switch the order in speaking today. I think this could be mutually beneficial. I welcome the opportunity to speak now in part because I wanted the Minister to have the opportunity to reply to matters just raised by the person who led off this debate for the Liberal Party and by myself.

Having said that, I want to stress that in my judgment we are having this debate today in the House of Commons not primarily because people on the Opposition side of the House or people on the Government side of the House in some abstract way decided as a matter of equity that we ought to be debating the condition of the aboriginal community in Canada, but more specifically because of the condition of education at the post-secondary level in which aboriginal Canadians are involved. The reason we are having this debate, and it is crucial for us in Parliament to understand this, is that 31 days ago some young aboriginal Canadians decided to embark upon a kind of protest that regrettably, in terms of human reality in this country, they knew would be necessary to provoke the Parliament of Canada into having a serious debate on their condition. I am convinced we are having the debate because some young Canadians of aboriginal ancestry in Thunder Bay decided, to put it bluntly, to raise a little hell. I am convinced that is why we are having the debate.

• (1030)

The reason is that they perceived that in a policy, initiated some two years ago and finalized in one sense in March of this year, the Government has as its ultimate objective, if it were carried through, not to increase opportunities for young aboriginal Canadians but to curtail opportunities that have been growing in recent years. In short, this policy which ought to be aimed at

greater equality is going to lead to more inequality. Young aboriginal Canadians were right in initiating a protest. We are right in having this debate today. I hope the Government will do the right thing by reversing its policy.

Some Hon. Members: Hear, hear!

Mr. Broadbent: As I have already indicated, when you look at what started 31 days ago, a lot of Canadians could be excused for thinking it was a protest about some obscure Government regulation or set of regulations, labelled E-12 guidelines, emanating from one part of the federal bureaucracy. As we know, that is not the case. The details involved in this issue are important. The particulars involved in the dispute about post-secondary education are important.

What is fundamentally involved in this issue, as aboriginal Canadians first and foremost understand, and as parts of the trade union community, the university community, and Members of Parliament are finally understanding in this debate, is whether we are going to perpetuate inequality in Canada as it affects aboriginal Canadians, or whether we are going to move forward to a greater degree of equality. That is what is at stake in this debate.

I would like to put it in that kind of perspective. We as a nation outside the aboriginal community take pride in our democratic institutions. We teach our children that whether it is the Parliament of Canada, our judicial system, our federal system, or our range of liberties, our freedom to be what we want to be, this is a good and just country. It has its imperfections that all of us, certainly on this side of the House, are constantly preoccupied in trying to remove one by one. The basic structure of the common reality that most of us share is one that makes us the envy of a good part of the people on this planet.

If most of us can look with pride at what has been achieved, and point to particular instances that are a source of that pride, can any Canadian seriously point with pride to the aboriginal reality of Canada? I know that one of the most moving documents to have emerged, in its plain, sparse and lucid language, certainly in my lifetime as a politician, describes that reality. I am speaking about sections of the report of the Human Rights Commissioner, whose report came down just some two weeks ago, implemented. This is a document that should become required reading in every school across Canada.

Last week the Human Rights Commissioner issued in part his assessment of the human rights aspect of the existence of aboriginal Canadians. Without exception, we see this as some kind of report card. In the large majority of aspects of human existence, according to the assessment of the Human Rights Commissioner of Canada, the existence of our aboriginal peoples has to be seen as one of profound injustice. It is an existence that none of us, on either side of the House or outside the House as Canadians, should be viewing with pride or with anything less than an attitude that says something has to be done and done quickly to remedy the injustices.

He said the following: "The grand promise of equality of opportunity stands in stark contrast to the conditions in which many native people live". He went through them item by item and aspect by aspect of human life. For example, an Indian girl born in 1980 can expect to live nearly seven years less than her non-native school-yard girlfriend. Unemployment, the exception for most Canadians, is the norm for aboriginal Canadians. Imagine someone in Toronto or Winnipeg, in a non-aboriginal family, growing up and expecting an unemployment rate in those cities of 60 to 90 per cent? If that were the situation in any of our urban communities, there would be a revolution. That is the reality for aboriginal Canadians.

Apart from labour and the right to get a job, what about income? If an Indian is lucky enough to find work on a reserve, he or she can expect to earn barely in excess of half of the average income of the general population, some 54 per cent. Off the reserve, as the Human Rights Commissioner has pointed out, aboriginal Canadians are under-represented in terms of their percentage of the population in virtually every sector of the Canadian economy in the workplace. Is it any wonder that so many aboriginal Canadians live on welfare, and that so many end up in prison? It happens to be the case that 55 per cent of the on reserve population will receive some form of social assistance.

As the Human Rights Commissioner has pointed out, it is the case that "an Indian youngster in Canada has a better chance of being sent to prison than of completing university". I would be surprised if that were said of a part of a population in any other part of the world. I remind all Members of the House that these are aboriginal peoples. There is a certain historical myth about two founding races in this country. When it was developed it was said to be that the English and the French were the founding races. That in itself is illustrative of racism. The founding people of this country are the aboriginal peoples, and they are the people who have been most unjustly treated. If you look at the reality described in

these statistics about opportunities to work, income, who is in our prisons and who is collecting welfare, the picture is unbelievably bad as it affects our aboriginal community. There is one exception to that. It is the one we are talking about today, that is, the educational opportunities available, and available just recently, to young aboriginal Canadians.

• (1040)

[*Translation*]

Mr. Speaker, in 1960, only 60 natives were registered in Canadian universities and only 3.4 per cent of native students finished high school. At that time, native youths were taken from their homes and sent to boarding schools in faraway communities. These children had to adjust to a new school environment in a strange language and culture. Children had to learn under such conditions.

Mr. Speaker, it is not surprising that this approach was a failure. The Government finally began to do what we now take for granted. It built schools in native communities. It put an end to the practice of punishing young native children when they spoke their mother tongue in class.

Today, we finally see young native university-trained teachers return to the village of their birth and teach the rising generation. And it works, Mr. Speaker!

The new generation of native teachers now takes part in curriculum development and language studies and they are models for their students.

Today, ten times as many students finish high school as in 1960.

[*English*]

From 1960 until two years ago the federal Government offered post-secondary assistance to any aboriginal student who met the entrance requirements. There was real progress during this period. In short, the program, to use the language of the city, was open-ended. It was designed to meet all the needs demonstrated by the aboriginal community. If there was a desire to go on to further education, then at long last during this period the federal Government said that the federal Treasury would ensure that money would be available for students' access to that education. As long as there was a need, the commitment was to ensure that that need would be met. This program has its flaws, as was pointed out to the Government by members of the aboriginal community as well as by those outside who were doing an assessment of it. However, the crucial point I want to make is that the program was working. As a result of it, there are today some 15,000 aboriginal students in universities and colleges across Canada. The number is increasing every year.

Having said that, it is also important to know that even these numbers represent a participation rate at the post-secondary and university level of 4 per cent of the native population compared with 27 per cent for the national average. The program was a start in the right direction. Aboriginal people were prepared to accept it and prepared to build on it.

However, two years ago the program was working so well the Government decided to fix it. At a time when aboriginal people were finally starting to use the program, the Government decided to limit financial accessibility. The Department of Indian Affairs introduced a fixed annual budget and introduced a ranking system that discouraged enrolment flexibility. The latest round of changes which were announced in March of this year and which took effect in April saw a capping of the program. Aboriginal people, students and adults alike, feared that this was a major step in the wrong direction. They were right. We are going to do everything we can to get the Government to reverse itself.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In this context, in the last 24 hours the Minister has said that there is no such gap. He knows that the language, to put it euphemistically, has been quite ambiguous. However, according to his own correspondence, he also knows that the desire was to limit spending, and I use those words with care and precision. This is what he stated in a letter written this year to the chiefs and councils: "The time has come for a major reappraisal to determine how the program could produce larger numbers of graduates within a budget that could not continue to grow at the pace of the last decade". Those are the words of the Minister. He said that the budget could not continue to grow at the pace of the last decade. We say that is a wrong policy. As long as there is a need, as long as students want access, we hope the budget will continue to double, if it needs to, in order to provide that access.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is the point. If the Minister is prepared to get to his feet today and say what he said in that letter is no longer Government policy, that all the funds that are necessary without qualification are going to be made available, then we will support him in that change and say so publicly.

It is precisely to this kind of letter written last month—not last year—by the Minister that the young students and the aboriginal community have been reacting. Canadians with a sense of decency and commitment to equality have been reacting to it as well.

What the Government was doing and saying in justification of the program was that it hopes to save money. The Government has been using some figures. Well, I have some figures as well.

It costs an average of $7,200 to pay for one year of post-secondary education for a native student. It costs $14,000 to cover the cost of training a young man or woman to become a nurse or, in short, to become a self-supporting contributor to the whole of the community instead of being dependent upon it for the rest of his or her life. Surely there is a moral and economic improvement involved in this that constitutes an immense improvement over life of petty crime and welfare dependency. I say to the Government so preoccupied with cost-cutting, a Government that seems to be run by accountants instead of human beings concerned with improving human welfare, that surely it makes more sense to provide money for education than it does to build prisons. Surely it makes more sense to educate aboriginal Canadians than to keep them dependent upon welfare. Surely it makes more sense to treat an aboriginal Canadian as having the same right to human dignity that comes from self-fulfilment as a white person in our society. As soon as we understand that, we will make sure that the money is available.

Mr. Thacker: What a hypocrite.

Mr. Broadbent: The Hon. Member says that I am a hypocrite. I want him to get to his feet to demonstrate what he means.

Mr. Thacker: I will. You just sit and listen to me.

Mr. Broadbent: I have been told that there are just a few minutes remaining in my allotted time. I want to conclude my remarks with two points.

First, we believe that there should not be a cap where there is a legitimate need for aboriginal Canadians for education. We believe it is long overdue. The rest of us pay for that. They have paid for it indirectly themselves as ultimate contributors to Canadian society. However, we believe that we have an obligation in the Parliament of Canada to make sure that money is available for that.

Second, in terms of the process itself, we believe that the desire of the students initially supported by aboriginal leaders for the Minister to suspend implementation of this program for the coming academic year makes sense. Keep the old regulations in place for the coming year. Work out with the aboriginal community during the coming months a new set of regulations or proposals that are acceptable both to the aboriginal community and to the Government of Canada. Surely that makes sense.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I conclude now with this point. A former Member of Parliament, Jim Manly, who was for many years the critic for my Party on Indian Affairs, once used what I think is a wonderful metaphor for the rest of us to consider. It was a metaphor involving a canary. Jim used to put it something like this. He said that when miners went into the mines they took a canary with them. They used to look at the canary and observe it. As the canary began to weaken they knew it would not be long before they would begin to weaken; that if the canary died then they would die. I would like to extend Jim Manly's metaphor in this way.

• (1050)

We should begin to see aboriginal Canadians as our canary. Whenever they suffer, we are going to suffer. Whenever they experience inequality, we experience inequality. The real objective ought not to be to contain the canary. The real objective ought to be to set the canary free. The real means of achieving that for aboriginal Canadians is for them, as they have been doing, to produce their own generation of leaders. The programs that have been put in place have been producing not hundreds, but thousands of new, self-possessed, competent, committed leaders in the aboriginal community. We should do everything we can to further that process, not inhibit it. We should not take steps that would lead to the suffocation of this canary, but to its liberation. When it is liberated and not until then will the rest of us will not be able to regard ourselves as a truly free people.

Mr. Holtmann: Mr. Speaker, I have listened with interest to the Hon. Member for Oshawa (Mr. Broadbent). He stood in this House today and indicated his great concern, which I am sure many of us in this House have, with regard to our aboriginal Canadians, a good number of which I represent in my constituency. I visit and talk with them quite often.

Did not the Hon. Member for Oshawa this morning in his statement give some false impressions or try to capitalize on the plight of some natives? He indicated his Party is perceived now to be the only one concerned about native Canadians. As a matter of fact during the Thirty-Third Parliament, his Party never once put forth an emergency debate in this House with regard to natives. Yet today he wants to be the champion of natives.

Let me ask him some questions in view of his statements. How can the Hon. Member say that the budget has been capped when in fact the increase has been 10 per cent per year? That is a fact he forgot to mention this morning.

Further, I would like to ask the Hon. Member how can he say the budget is capped when the total post-secondary education for native people has increased by 34 per cent of all secondary education over the last two years? How can he stand and tell Canadians we have cut their budgets? In fact, we have not. If he looks at the real facts about post-secondary education among natives, how can he say to the people of Canada that we want to cap this budget when the Minister has said in this House that he is actively pursuing increases to this budget? I would like some answers, and so would Canadians.

Mr. Broadbent: Mr. Speaker, I listened with interest to that particular well-informed question. I would like to respond. I first of all never said that we were the only people concerned. In fact, I went out of my way to say that there was a policy that was started in 1960. We were not the Government then. I gave the Government at that time credit, some Members here were Ministers of the Crown in that Government. I am prepared to do that. I have as recently as yesterday paid public tribute to the Minister involved in the issue as a man who has shown humane concern, not only in his present portfolio, but in his previous one. What the Member says about that is just totally wrong.

I have referred to the issue of capping. Indeed, I used that language. In reports I have had and in discussion with the Minister, as well as the document I put on the record that the Minister wrote—at least he signed it, he is responsible for it—it said: "They want a budget that could not continue to grow at the pace of the last decade". That clearly aims in the direction of a cap.

The Minister will comment on it. According to the students, and I have not seen him deny this publicly, he has refused unequivocally to say that there will be a total open-ended budget. Whatever the need, it should be met, not in terms of moving people from the back of the line to the front of the line, but from the point of view of removing the line. That is our policy.

What we now have with the present Government is not 10, 12, 20, 30 or 40, but hundreds of students who cannot get into post-secondary education because funds have not been available. That is the reality. The funds have been there have been inadequate. We are saying, meet the need, provide the funds, have an open-ended budget. As long as there is need for education, make sure the money is available. That is my reply to the Hon. Member.

Mr. Deputy Speaker: We have three minutes left in the question and comment period. We will give a minute and a half to the Minister of State for Indian Affairs and a minute and a half to the Hon. Member for Oshawa.

Ms. Campbell (Vancouver Centre): Mr. Speaker, I regret that I do not have more time to ask the Hon. Member questions on his comments because they are extraordinary. I would like to ask the Hon. Member if the implications of his statement are in fact true? Are there only two approaches to funding programs in this Government, one to be totally open-ended and the other to be capped? The Hon. Member suggests that the Minister's comment that a budget item could not continue to increase at the rate of the last decade somehow implies that this is a cut-back when the rate of the last decade is an increase of 30 times. Is this necessary to meet the needs of these programs? I think the comments are absolutely extraordinary.

I would like to ask the Hon. Member, and unfortunately there is not a great deal of time, what provisions in the new guideline he disagrees with. The new guidelines provide the opportunity for the Minister to make reasoned and informed presentations to Treasury Board. For the first time we will begin to assemble the kind of statistics that we need. Two-thirds of these funds are administered directly by bands.

Eighty per cent of the students who are funded under these guidelines will in fact receive more money. Is the Hon. Member suggesting that we should not implement these guidelines and deny those 80 per cent of students increased funding, many of whom live in high rent areas like Vancouver and Toronto? I would like to ask the Hon. Member if in fact he has read the guidelines. His comments in this House today reflect not only a considerable amount of intellectual dishonesty, but a great deal of ignorance about what this has said. I think it is not intellectually sound. As someone who began her career in post-secondary—

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

Mr. Broadbent: I really liked that question from the Minister. It certainly shows what performance we can expect from her in the exercise of her ministerial duties.

I was using the Minister's language when I talked about open-ended. What we on this side of the House mean by open-ended is that so long as there is a need by an aboriginal student, we should meet that need. What we are saying is that the language used by the Minister, I say categorically, is unacceptable. It was the Minister who said that the time had come for a major reappraisal, and the objective is to have a budget that could not continue to grow at the pace of the last decade.

I heard the Minister's question. I wish she would listen to the answer. We do not agree with that. She is right. We believe it should continue to grow if there is a need.

• (1100)

All we want the Minister to do is admit he was wrong—

Mrs. Dobbie: He wasn't.

Mr. Broadbent:—and to take back those words and say that if there is a need they will meet the need. Then we will be onside. The Government is wrong on this with human priorities, not this side of the House, I will tell you.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

POLITICAL PARTIES

FINANCING

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, like the Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin), who is a Conservative, I would like to vigorously denounce in this House the unacceptable attitude of the Mulroney Government in going against the will of its own Members by turning over the thorny issue of political party financing to a commission of inquiry.

It is quite obvious, Mr. Speaker, that the Mulroney Government is once again acting inconsistently in this important debate which should have involved the elected Members of all political parties, those who suffer from the lack of sound, firm regulations on this subject.

I am convinced, Mr. Speaker, that the Mulroney Government is trying to postpone tabling a bill, although one had been promised for the beginning of its second term.

Another fine promise that has not been kept—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but his time has expired. The Hon. Member for Swift Current—Maple Creek—Assiniboine (Mr. Wilson) has the floor.

* * *

[*English*]

YOUTH

PROGRAMS ENCOURAGING TOLERANCE AMONG CANADIANS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, one of the most enjoyable occasions afforded Members of Parliament is surely the privilege of meeting participants in youth exchange programs such as the Forum for Young Canadians, Adventures in Citizenship, the 4-H Movement, Terry Fox Youth Centre and others.

Young people, leaders in their schools, come from cities, towns and villages across Canada and, in some cases, from beyond our borders. They arrive as strangers and depart as friends.

These programs are rich and varied, but their common goal is to increase tolerance among Canadians and to bring us closer together. Participants are moved by a common desire for knowledge and the pursuit of a greater understanding of themselves and others.

Canada has an abundance of natural wealth, but its most precious resource is its youth, young people such as those in Ottawa this week.

We extend our sincere congratulations to the sponsors of these very worthy programs, and to the participants we extend our very best wishes for the future.

* * *

[*Translation*]

SCIENCE

SUPPLEMENT TO *LE DEVOIR* ON 57TH ACFAS CONGRESS

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, today's *Le Devoir* contains a special section which gives the whole program of the 57th convention of the *Association canadienne française pour l'avancement des sciences*.

I want to congratulate not only *Le Devoir* for publishing that information to the public at large but also, as a scientist and a Member of Parliament, a society trying to make everybody understand the importance of science for the future.

May it inspire the rest of Canada!

* * *

[*English*]

MULTICULTURALISM

WESTERN CANADIAN SUDETEN–GERMAN ALLIANCE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, as Citizenship Week draws to a close I want to offer greetings and congratulations on behalf of this House to the Western Canadian Sudeten-German Alliance on the occasion of the fiftieth anniversary of their arrival in Canada.

In 1939 our country offered refuge to over 1,000 Sudetenlanders who were suffering from the political oppression of Nazi Germany. One hundred and fifty-two families settled in British Columbia and Saskatchewan. In spite of their former urban way of life, they managed to transform thousands of acres of bushland into productive farmland.

Sudetenlanders have made a significant contribution to Canadian life by becoming professionals in education, community service, and government.

Let us join all Canadians in recognizing the tremendous achievement of our Sudeten community and in congratulating them on their first 50 years as part of our Canadian family.

Clearly our multicultural identity is strengthened by their being here.

* * *

[*Translation*]

NATIONAL DEFENCE

THE ARTIC–IMPORTANCE OF DISCUSSIONS WITH U.S.S.R.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Soviet Union has recently expressed its willingness to initiate talks with Canada and other countries to restrict military activities in the Arctic. That idea was launched in the fall of 1987 by Soviet leader Mikhail Gorbachev and was recently taken up by a Soviet official in charge of disarmament.

Since the Government was foolish enough to allow the testing of sophisticated American cruise missiles and is even contemplating the purchase of nuclear submarines, Canada would be well advised to take part in those talks. Otherwise, the Soviets would be forced to intensify their military presence in the Arctic, thereby increasing the number of cruise missiles and Soviet nuclear submarines in that area.

During the upcoming talks between the Soviet Union and other nations, the Canadian Government should strive to conclude agreements on arms limitation and disarmament—

Mr. Deputy Speaker: Order! I regret having to interrupt the Hon. Member. The Hon. Member for Churchill (Mr. Murphy).

* * *

[*English*]

VIA RAIL

WINNIPEG–CHURCHILL SERVICE

Mr. Rod Murphy (Churchill): Mr. Speaker, VIA Rail is a hot topic in the news these days. As usual, VIA being in the news is not necessarily good news for the people of northern Manitoba.

After the NTA hearings, the public relations people cited the Winnipeg—Churchill run as follows: "Apart from providing a social service, it is hard to justify that route". *The Ottawa Citizen*, upon receiving that information said that the Winnipeg—Churchill run is a horror story. Other papers, taking VIA's PR lead, have agreed.

I think it is important that the truth be told. For many people in northern Ontario, VIA Rail is still the only available form of transportation to other communities. It is in effect the lifeline to the North. VIA takes people to their grocery shopping. It takes people to the doctor. VIA takes people to their friends and family.

For years we in the North have watched in anger as stations have been closed down and the frequency of trains has been cut back. Train fares, of course, have continued to rise.

It is important for people in the House and for those newspapers who have taken the PR press releases and used them for their information to know that local passengers have stood at train stations in the middle of the night waiting for the next train and seats have not been available.

Tourist operators have come to me and said they want to book sleepers on that train but VIA will not provide the necessary sleepers.

VIA has said the train is not being used. It had better provide the service, then it will have the usage. If the Government's slogan is "use it or lose it", make it usable.

* * *

[*Translation*]

THE ENVIRONMENT

CONTAMINATION OF SOIL AND WATER IN SECTOR OF ROUYN-NORANDA AND VAL-D'OR

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, a serious study put out this week, by the Environment Protection Committee for Rouyn-Noranda points to the clear conclusion that the soils and streams in the Rouyn-Noranda and Val-d'Or areas are contaminated. This would be caused by a strong presence in our environment, of heavy metals and very toxic wastes, in concentrations well beyond the standards of the Québec Minister of the Environment.

If this is the case, clearly the very health of my fellow citizens is in jeopardy. I therefore urge the Canadian Minister of the Environment (Mr. Bouchard) to contact without delay his colleague from Quebec to verify these allegations, and if they are found accurate I would ask the Governments involved what concrete steps they intend to take in order to solve that serious problem.

[*English*]

EXTERNAL AFFAIRS

U.S.S.R. – SOCIETAL CHANGES – PRIME MINISTER'S PENDING VISIT

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, there are real changes taking place in the Soviet Union. *Perestroika* and *glasnost* are real.

Some recent events tend to confirm that. For example, results of the elections held on March 26 show that one prominent official candidate of the Communist Party, Anatoly Gerasimov, First Secretary of the Leningrad City Committee, got only 15 per cent of the vote, and this week the Soviet newspaper *Moscow News* condemned the use of what it calls poison gas during the riots in Georgia last week, in which 19 people lost their lives.

Those are real changes that are taking place. Democratic principles seem to be working.

The Prime Minister (Mr. Mulroney), during his projected visit to the Soviet Union, should support President Gorbachev in his efforts to liberalize the Soviet system. We should applaud those changes and build closer relations with that country.

* * *

REGIONAL DEVELOPMENT

TRANSPORTATION ASSISTANCE PROGRAMS

Mr. George Proud (Hillsborough): Mr. Speaker, once again the Government is scaring the people of Atlantic Canada with more rumours of cut-backs. This time it is attacking the Atlantic transportation industry by removing two vital subsidies, the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act.

We know that transportation is the cornerstone of regional economic development and these programs have been just that in Atlantic Canada for over 60 years.

The assistance programs provide reduced freight rates for shippers so that they may compete with the markets throughout central and western Canada. Without these programs the ability of Atlantic Canadian shippers would be impaired. Freight rates would increase by at least 35 per cent to 40 per cent, and over 12,000 jobs would be lost. I call on the federal Government to keep its word. In 1985 the Deputy Prime Minister (Mr. Mazankowski) promised that the federal Government had no intention of cutting back on the program.

• (1110)

The federal Government must maintain these programs, and Hon. Members can be assured that all the Liberals in Atlantic Canada will fight for them.

* * *

[*Translation*]

PENITENTIARIES

SAINT-VINCENT-DE-PAUL PENITENTIARIES – PUBLIC ACCESS

Mr. Vincent Della Noce (Parliamentary Secretary to the Minister of National Revenue): How would you like to spend a day in prison? Not to worry—not as a prisoner, but rather as a tourist!

From June 3 to June 30 1989, Saint-Vincent-de-Paul will host a major tourist, cultural and educational event, with more than 100 young students working there and more than 300,000 people visiting.

After 117 years of history, Mr. Speaker, the old Saint-Vincent-de-Paul penitentiary will be open to the public at large, and I invite not only hon. members but the Canadian public to visit that historical place in order to better understand human realities.

Thanks to the strenuous work done by committees from the correctional service and local people, the premises will be set up to show that hidden side that people at large never had an opportunity to see. Tickets will be available through the Ticketron network for approximately $1.

I would invite the general public to take this unique opportunity to visit the beautiful city of Laval to celebrate the beginnings of a national historical museum. This old dream of mine today is partly achieved.

S. O. 31

[*English*]

AIRPORTS

AVAILABILITY OF FIRE-FIGHTING SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, earlier this week I raised in the House the matter of a proposed policy for Transport Canada dealing with crash-fire rescue.

I am sure that the people who fly in and out of the following airports will be interested to know what the proposal of the Government of Canada is: Abbotsford, Baie Comeau, London, Norman Wells, Prince Rupert, Quesnel, Sandspit, Smithers, Stephenville, Terrace, The Pas, Wabush, Watson Lake, Whitehorse, Williams Lake, Yarmouth, Sarnia, and Campbell River are all on the hit list.

In order to facilitate deficit reduction elsewhere, these airports will be asked to give up their fire-fighting services so the larger airports in Canada can receive needed rescue services from crash-fire rescue crews.

These are very important services that the Government two years ago said were not necessary. Sypher Mueller International has concluded that the Government was wrong and recommended that these services be placed in those airports to ensure that when there is a crash, something none of us want to see happen, the airports will be protected, but the price is too much to pay.

* * *

AIR TRANSPORT

JET AIRCRAFT NOISE LEVELS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, during the first week of February one of my constituents rented a sound pressure level monitor from McMaster University. He wanted to test the loudest jet aircraft noise over the town of Ancaster as compared to his three children, aged five to seven, jumping up and down and screaming at the same time as the next scheduled jet came overhead.

The youngsters went into the next room and did their thing with the door open, as the jet roared overhead. The plane registered twice as loud as the three kids screaming.

The day before yesterday, an ancient Lancaster bomber cruised along Highway 53 at approximately 500 feet, rattling windows and knocking things off peoples' mantlepieces.

I use these examples to illustrate why thousands of my constituents in Ancaster and Dundas are just a wee bit upset about the lack of enforcement of noise abatement bylaws, and apparent confusion over jurisdiction in these noise sensitive areas. Because our airport is about to take off, I am urging that something be done soon by Transport Canada and the region to straighten out noise abatement procedures in the Hamilton—Wentworth area.

* * *

EDUCATION

STUDENT LOAN REGULATIONS

Mr. Joe McGuire (Egmont): Mr. Speaker, in view of the fact that post-secondary education in Canada is becoming a matter of increasing public concern, it was with considerable dismay that I read in *The Canada Gazette* of March 18 that the Government is proposing an amendment to the Canada student loans regulations which will reduce amounts available to students and set lifetime limits on student loan borrowing.

Young Canadians in the gallery take note. This lifetime cap of $20,000 for undergraduates is less than 50 per cent of the maximum amount currently available.

There are several problems here. One is that the caps are too low.

A sum of $5,000 per year will not allow a student to attend university full-time, especially since many students are not able to find employment to supplement this amount.

Another is that family income tables have not been adjusted for several years. This impacts negatively on a student's capacity to obtain student loans.

Third, this proposed program is not only inflexible but is totally at odds with the Government's stated concerns for retraining. The lifetime cap will effectively prevent people from returning to university.

This appears to be another ploy to force the provinces to increase their provincial bursary programs and allow the Government to shirk further its responsibility to the youth of the nation. I ask the Minister responsible to give this matter his immediate attention so that students can plan for the upcoming year.

PAROLE

SURVEILLANCE OF INMATE RECEIVING MEDICAL TREATMENT

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, yesterday in the House I expressed my conviction that regulations of the Canadian parole system should be tightened up to prevent dangerous criminals from repeating their crimes.

Next week convicted murderer Daniel Gingras, who escaped while on a day pass visiting West Edmonton Mall, is scheduled for surgery at the Royal Alexandra Hospital.

While prisoners cannot be denied medical attention, it is imperative that society be protected.

Edmontonians are concerned about their own personal security and want to know what measures are being taken to ensure that this prisoner does not escape.

I urge the Solicitor General (Mr. Blais) to provide the most extensive security measures possible and to reassure Edmontonians that Gingras will not have the opportunity to escape again.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

PROPOSED CHANGES—REQUEST FOR WITHDRAWAL

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, late last night I returned from Newfoundland.

Some Hon. Members: Hear, hear!

Mr. Mifflin: I returned with good news. I am very pleased to report to the House that Newfoundland has a new Government, a resounding Liberal victory! I would ask Hon. Members to join me in extending our congratulations to the Premier-elect, Clyde Wells, to the Government-elect, and to all the candidates for a hard-fought fight and a well won battle.

Some Hon. Members: Hear, hear!

Mr. Mifflin: My question relates to one of the major issues of the campaign, and indeed it is directed to the Deputy Prime Minister.

In view of the fact that the Prime Minister and the Minister for International Trade, six months ago, promised Newfoundlanders and indeed all Canadians that there would be no change to the Unemployment Insurance Program, and in view of the fact that six months later we heard about sweeping changes, will the Deputy Prime Minister please instruct the Minister of Employment and Immigration to withdraw these changes?

Newfoundlanders have spoken and the message is clear. They have passed judgment on these changes and they don't like them.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, last week it was announced in Newfoundland that there would be no more unemployment insurance, which is not true! The safety net continues to exist. The unemployed who lost their jobs through no fault of their own will continue to receive their unemployment insurance benefits today, tomorrow and the day after. The only losers in this context are workers who quit voluntarily and workers who cheat on the system.

[*English*]

FUNDING OF CO-OPERATIVE EDUCATION PROGRAM

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my next question is again directed to the Deputy Prime Minister. The Minister of Employment and Immigration stated that the money that was being switched around in these sweeping changes was to be used for the unemployed—those without jobs.

I note that the Minister of State for Youth intends, according to what I have heard, to tap into the savings, for other than those who do not have jobs. Can the Minister reassure Hon. Members that this money will be used for those who are unemployed?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, just to make things clear, the Minister of Employment and Immigration announced changes to the Unemployment Insurance Act that will enable the Government to make some savings through the account, and the savings will be used for unemployed people only. That is correct.

The Hon. Member should know, and I presume he must know, that these global changes through the system will enable the Government to have more flexibility through its Canadian Jobs Strategy program which will enable the Government in the next four years to quadruple the amount of money that will be put into co-op education while trying to target more specifically students at the secondary level, those potential high school dropouts, the most vulnerable people in society and within the labour market.

• (1120)

FEDERAL CONTRIBUTION TO UNEMPLOYMENT INSURANCE FUNDS

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would suggest that such logic could drive one in any direction, to any distance, and to any conclusion which hope, fear, and any other passion might suggest.

My supplementary question is directed to the Deputy Prime Minister. In view of the statements made that no change will be made, can the Deputy Prime Minister reassure the House that the Minister of Finance will be instructed that no changes will be made to the federal government contribution to unemployment insurance funds?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I will repeat all the benefits Newfoundland will enjoy as a result of the unemployment insurance reform announced last week: access to employment, access to better paying employment and access to training.

As for your main question about what will happen on April 27, I would ask you to be patient and to wait until the Minister of Finance brings down his budget. You will get your answer in a matter of days!

* * *

[*English*]

YOUTH

FUNDING OF CO-OPERATIVE EDUCATION PROGRAM

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like to follow up on a very important point raised earlier. My question is directed to the Minister of Youth.

As the youngest Member of Parliament I am deeply offended and, frankly, disillusioned by the announcement made yesterday by the Minister that the Government intends to steal money from the unemployed to pay for co-op education for young people.

How does the Minister justify breaking a sacred campaign promise made by the Prime Minister that the Unemployment Insurance Program would not be changed?

How can the Minister pit two needy groups in our society, the young and the unemployed, against each other?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, first let me congratulate the Hon. Member on his election to the House of Commons, and welcome him here. I am sorry that after a few days in the House of Commons he has already declared himself disillusioned. I am also a young Member of Parliament, and I am not disillusioned at all.

The Hon. Member should know, if he is so interested in the issues related to youth, the real issues related to youth are that those in our society who are the most vulnerable are the young people who drop out of high school, and the young people who have the lowest level of education in our society.

After four or five years of Progressive Conservative Government we have the lowest unemployment rate for young people in the last 17 years.

The money used in co-op education will be used under the CJS Fund, and money made available because of the changes to the Unemployment Insurance Act.

REQUEST THAT FUNDING BE MADE AVAILABLE FROM GENERAL REVENUES

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my supplementary question is directed to the same Minister. I would advise the Minister that I also agree with co-op education, but I do not agree with it being done on the backs of unemployed Canadians.

Not only is the Minister breaking a sacred promise made by the Prime Minister during the election campaign, but he is also breaking the promise made by the Minister of Employment and Immigration who stated that the money that she is taking away from the Unemployment Insurance Fund will only go to train unemployed people.

How does the Minister justify breaking this promise? Will the Minister get serious about co-op education and fund the program from general revenues, rather than taking funds from the unemployed people who desperately need them?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, let me applaud the Hon. Member for actually stating, I presume on behalf of the Liberal Party of Canada, that this is the first time they are actually for something, including co-op education. That is something new.

Let me assure the Hon. Member that it is quite clear that the money that will be saved through UI reform will go to people who are unemployed. That initiative will enable the Government to have more flexibility through the Canadian Jobs Strategy which will enable the Government to quadruple the amount of money that will be put into co-op education, which the Hon. Member is for.

May I conclude by asking the Hon. Member to stop fighting change, and stop being a dinosaur. He must accept the fact that we live in a new world where change in inevitable, and this country has to face up to that.

* * *

ABORIGINAL PEOPLES

POST-SECONDARY EDUCATION—FEDERAL FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Approximately half an hour ago the Minister of State for Indian Affairs stated there was no cap on the Government's program as it affects post-secondary education for aboriginal Canadians.

Would the Minister comment on the accuracy of that view?

As the Minister knows, a good part of the motivation for the concern of students affected is that there has been a cap.

I refer to the letter of the Minister dated March 20, 1989, in which he stated: "The program will have to live within its annual allocation—". If that is not a cap, what is it?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I have indicated on numerous occasions, both inside and outside the House, two years ago my predecessor announced that the program would have to function within budget. This is exactly what the program has been doing for two years. Annually a budget is determined with respect to this particular program.

As I have indicated on numerous occasions, if the needs increase, in my humble opinion the funding for the program will increase in order to meet those needs.

MINISTER'S LETTER—BUDGET FOR PROGRAM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, on page 1 of the same letter the Minister talks about the need to stop the growth of the budget because it cannot "continue to grow at the pace of the last decade". I have already quoted him as saying that it has to live within its annual allocation. In the same paragraph the Minister states that this will mean that a "number of students will temporarily have to seek those sources of support available to—other Canadians", because there will not be spaces available.

The Minister cannot have it both ways. He has just stated in the House that if there is going to be a need, and the students have that need, presumably they will not have to seek other sources. In the letter the Minister states that they have to seek outside sources. Is the Minister now saying that they will not have to seek outside sources, and that the Government will provide all the money needed for a young aboriginal person who wants to attend post-secondary education? Is that the policy? If so, make it clear, please.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, we must also look at the guidelines. The guidelines state that assistance will be provided within the limits of funds voted by Parliament.

Mr. Broadbent: That is a cap.

Mr. Cadieux: That is voted annually. That is why each year we will look at the needs and determine what funds we need to meet those needs.

If the Hon. Member also wants to quote from my letter, he should also quote the second to last paragraph which states:

> But no program design endures forever. In light of the many constructive responses the Department has received, I am instructing my officials—

Mr. Keyes: Dispense.

Mr. Gauthier: Table it.

Mr. Cadieux: Hon. Members opposite do not want to hear the truth.

> I am instructing my officials to review the policy periodically to ensure that it keeps pace with the changing needs and aspirations of students in your communities.

Obviously the increase in the number of students will justify the increase of funds for this particular program. I have been saying that from the outset.

FUNDING REQUIREMENTS OF STUDENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the reality is that the Minister has not been saying that from the outset.

Without exception the aboriginal Canadians with whom I have spoken, and there are many fair-minded Canadians among them, do not understand the Minister to have the policy he now states. They understand his correspondence to state that there is a cap.

I want to clear this up. Is the Minister saying, unlike what he states in his letter, that any student in the coming academic year of 1989-1990 who wants to go to post-secondary education will receive funding this year from the Government of Canada? Yes or no?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have been saying from the start that there is an annual budget and that we will be seeking funds on an annual basis with respect to the demand increases that will come from year to year. That is why there has to be an exchange with the native population, which I have encouraged from the start, which I have instructed my officials to continue in order to ensure that we have the appropriate data to seek the appropriate funds to continue a program in which the Government believes. This program has gone from $4.2 million to $130 million, which is an increase of 30 times.

* * *

• (1130)

[*Translation*]

FINANCE

INTEREST RATES INCREASE—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Yesterday, the Bank of Canada raised the bank rate to 12.61 per cent. The real interest rate in Canada is now over 8 per cent, the highest level in 20 years. The spread between Canadian and American interest rates is more than 2 per cent, compared with historical spreads of 1 per cent.

Why is the Conservative Government attacking Canadian consumers with this high interest rate policy?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I don't think Canadians want to go back to the severe recession we experienced under the Liberal Government in the early eighties.

As you know, current interest rates are part of the Bank of Canada's general policy to fight the threat of inflation.

As for the spread between Canadian and American interest rates, let us not forget that while today, the spread for 90-day commercial paper is 2.6 per cent, in the early eighties it was as high as 4 per cent.

We intend to continue to support the Bank of Canada in its efforts to ensure that interest rates will go down in time, and do so permanently, in the best interests of Canadian consumers.

[*English*]

MORTGAGE AND CREDIT CARD INTEREST RATES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I come now to the Deputy Prime Minister, Mr. Speaker. All Canadians are affected by the high interest rate policy of this Government. One year ago an $80,000 mortgage was financed at 9.75 per cent.

An Hon. Member: Who is talking about high interest rates?

Mr. Gauthier: Today that same mortgage is renewed at 13 per cent, an additional cost of $2,000 a year.

We also know that on June 1 the interest rate charged on credit cards will rise to more than 20 per cent. Why is the Government maintaining this high interest rate policy which is difficult and disastrous for Canadian families?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I must say that the Government has been monitoring the economic situation in Canada very carefully. In four years we have shown that we have been able to deal with the situation. However, losing control of the economy and letting interest rates become even more devastating as a result of increased inflation will certainly do nothing to improve the situation to which the Hon. Member is referring.

SCIENCE AND TECHNOLOGY

REQUEST FOR PROTECTION OF CANADIAN RESEARCH COMPANIES

M. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of State for Science and Technology (Mr. Andre).

Given the fact that branch plants do not do research, that there is a lack of risk capital for Canadian research companies and that foreigners take over Canadian firms like Lumonics, Connaught Laboratories, what does the government intend to do to protect our research companies?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, that question begs a speech of at least 40 minutes to go over all of the things this Government is doing to demonstrate our commitment to research and development—the establishment of the Department of Industry, Science and Technology, the establishment of NAPS, the $240 million to Centres of Excellence, the $200 million extra to granting agencies, and the $80 million for the Canadian Scholarships Program. There is a whole range of programs to indicate our Government's commitment to science and technology and industrial development in this country.

ACQUISITION OF COMPANIES BY FOREIGN INTERESTS

Mr. John Manley (Ottawa South): Mr. Speaker, the Minister had the opportunity to give a 40-minute speech yesterday and he did not address the question of Canadian ownership. He has pointed out the problem himself. He is quoted in *Computer Dealer News* for March 9, 1989 as saying:

> If three or four branch plants close, due to free trade and the economic restructuring we're witnessing, that will, perhaps, facilitate the creation of one Canadian firm to fill the void, one that will conduct R and D.

I think this is known as the Khmer Rouge method of developing a research community.

The Minister continued:

> Branch plants just don't do research.

Does the Government think that Canadian control of our research companies is important? If so, what is it going to do about these sell-offs?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Investment Canada Act provides that only those take-overs which are a net benefit to Canada, including research and development, are allowed to proceed. The Act is there.

If the Hon. Member has some evidence of where, in fact, the Act does not provide that, let him bring it forward, but these blanket, wildly unsubstantiated charges are absurd.

I would remind the Hon. Member that it was his Party which fought Bill C-22 to the bitter end, a Bill which has brought about hundreds of millions of dollars of research and development in this country. I am glad to see that the new Member is showing a break from that terrible Liberal tradition of saying one thing and acting in another way.

* * *

NATIONAL DEFENCE

INTERROGATION OF SCIENTIST BY MILITARY POLICE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Deputy Prime Minister. An Alberta scientist, Dr. Mendoza, whom I had telephoned about atmospheric nerve gas tests in Alberta, was recently taken to a motel room in Medicine Hat and interrogated by military police. He was denied the right to legal counsel at the interrogation.

According to Dr. Mendoza the interrogation focused on my communication with the scientist, a communication that I would point out was never made public.

Why was the scientist denied legal counsel? Is it the view of the Government that communication between Members of Parliament and public servants is somehow improper?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I wish to inform the Member, as I am sure he is aware—I think he has had correspondence with Dr. Mendoza for some years in official capacities—that we have within the Department of National Defence a regular review of security clearances. Dr. Mendoza has had those interviews, voluntary interviews, I might advise the Member. Of course, for any further concerns that Dr. Mendoza may have there is an appropriate grievance procedure in the Department through which he may address those grievances.

BURGLARY OF MEMBER OF PARLIAMENT'S OFFICE

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

My office was broken into here on the Hill on March 6 and the confidential files, including my communication with Dr. Mendoza, were gone through. A few days later Dr. Mendoza was interrogated without legal counsel. According to Dr. Mendoza the military police described revelations about Suffield as being politically embarrassing.

Do the military in Canada work for the Conservative Party or for the people of Canada? Don't Albertans have the right to know that the air they breathe is being used for open atmospheric nerve gas tests?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, the allegations made by my colleague are quite serious and I advised him yesterday that I would check upon them with the Commissioner of the RCMP. I discussed the matter at length with him this morning and he has advised me that he has been in touch with the Toronto and Ottawa City police concerning the pattern which according to the Hon. Member does exist in the various break-ins. I have been informed by the Commissioner, and I made a careful examination of the information given to me, that no pattern emerges out of these break-ins, Mr. Speaker, and that the Hon. Member has not asked directly any police force to investigate what happened in his office.

* * *

EXTERNAL AFFAIRS

AID FOR LEBANESE PEOPLE—MINISTER'S POSITION

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, my question is directed to the Minister for External Relations. Canadians are concerned about the tragic events that are taking place in Lebanon. There has been a fresh outburst of armed conflict in that country, centred in Beirut. Bombardments affect the civilian population indiscriminately, claiming thousands of victims. Could the Minister inform the House about the measures taken by Canada to offer help to the people of Lebanon, the victims of this terrible war?

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for his question, which gives me an opportunity to inform the House and all other Canadians about the measures Canada has put in place to help the Lebanese people who are now suffering the consequences of a devastating war. I think that at this point, Mr. Speaker, we should make a distinction between the assistance extended to the Lebanese that remain in their country and the assistance given to those who are trying to escape the combat zones.

At the present time, our embassy in Damascus is able to provide all immigration services. We have four officers on the spot, and I can give the Members of this House and all Canadians the assurance that our services are able to cope with the demand. Yesterday, we heard from our representative in Syria that Lebanese citizens can enter Syria on their Lebanese I.D. Card or passport.

People living in the Christian sector of Beirut, have passports that will get them to Cyprus. As for the services we are able to offer in Cyprus at the present time, I said yesterday in a statement in the House that we had a consular officer on the spot, and I can inform Hon. Members that in Cyprus, it is estimated that since the beginning of March between 11,000 and 15,000 Lebanese have applied to emigrate to various countries. In fact, most have already left Cyprus. As for applications for admission to Canada, all I can say is that we are able to cope with the demand for the time being—

Some Hon. Members: Order!

Mrs. Landry: Mr. Speaker, with your permission, I would like to add that as for the services we are offering people in Lebanon, I announced this week that half a million dollars—

• (1140)

Mr. Deputy Speaker: I am sorry but I will have to interrupt the Minister. The Hon. Member for Saint-Laurent.

* * *

IMMIGRATION

SITUATION OF THOSE CLAIMING REFUGE STATUS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, my question was meant for the Minister of Employment and Immigration, but in her absence it is directed to the Deputy Prime Minister.

We have waited long enough for news about the hearings that are supposed to take place in Montreal and Toronto to deal with the tremendous backlog of refuge claims!

The Minister knows perfectly well that the backlog of refugee claims in our large urban areas is a very real problem. Why the delay in establishing bodies that will decide whether these refugees will be allowed to stay? When does the Government intend to deal with the ever increasing problem of refugees waiting to have their claims heard, both in Montreal and Toronto?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, in the absence of my colleague who is responsible for Immigration, I would like to reassure Canadians and tell them that since we introduced our new refugee status determination process, things have become much easier. The figures prove that the system works well, and I can give Canadians the assurance that although there is still room for improvement, current evaluation reports are very positive.

[*English*]

PROCESSING OF APPLICATIONS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. In a press release on March 31 we were informed that the Immigration and Refugee Board is developing new facilities in Montreal and Toronto. What does the Government plan to do to alleviate the refugee backlog in Montreal and Toronto? Why is the Government planning two different systems, one for Montreal and Toronto and one for the rest of Canada? Why does the Government not have a policy that treats all refugee claimants equally?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we have a system in use across the country, in Montreal as well as in Toronto. I repeat, the measures we have put in place during the last few months are working well, and we are satisfied with the results.

[*English*]

PUBLIC WORKS

DEVELOPMENT OF WELLAND CANAL LANDS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, my question is addressed to the Minister of Public Works. On Tuesday, April 19, the Welland Canal Development Board held a press conference at which it released the contents of a report that suggested how the Welland Canal lands could be developed. Even though I am a member of the board I have not yet received a copy of the report, a report which cost $30,000.

Has the Minister been apprised of this report? Does he agree with the recommendations of it, one of which is that the Welland Canal lands be sold to the highest bidder?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, this question affords me the first opportunity I have had to congratulate my colleague on his re-election to the House.

I wish to inform him that, yes, I have been apprised of the report. I also wish to reassure him that this consultant's report was only intended to identify potential development of the land. I emphasize the word "potential".

I understand his concern that any private development might impinge on the public use of the land. I am pleased to tell him that there will be further consultations. Nothing definitive will be done without input from the City of Welland and, as far as I am concerned, from the Hon. Member himself.

REQUEST FOR PUBLIC MEETINGS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, will the Minister assure the House and, indeed, the people of my riding, that in future all of the meetings of the board will be held in public so that indeed the public can be apprised of what is going on and how the deliberations are proceeding?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, prima facie that sounds like a reasonable request. I will look into it and report back to the Hon. Member.

HOUSING

REQUEST THAT SPECULATORS' TAX BE INTRODUCED

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is addressed to the Minister of State for Housing. There have been repeated calls to cool off the hot real estate market in Vancouver and Toronto by imposing a tax on speculative real estate profits. Yet the Minister of Housing keeps saying that he will have to do more with less in terms of solving the critical housing crisis in Canada.

If the Minister is short of funds why is he ignoring the money that could be realized from the imposition of a speculators' tax on real estate property?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as I am sure the Hon. Member is aware, I had an opportunity to visit Vancouver last month to see for myself the red-hot real estate market in Vancouver. It is certainly one of the hot spots of housing in the country.

At that time I had the opportunity to meet with the Minister of Housing for the Province of British Columbia, the Mayor of Vancouver, the Mayor of Coquitlam, and other providers of market and social housing in and around the Vancouver area, in an effort to try to come to grips with and to see if there is not a way to solve the problems, and have the federal Government made a part in that process.

One of the suggestions of the Hon. Member has to do with land speculation tax. That is a very interesting possibility.

When I was a Private Member I urged the Province of Ontario to institute such a tax. Perhaps the Hon. Member might like to urge the Province of British Columbia to do the same.

My advice at the moment is that that sort of a tax would have to be imposed by a provincial Government. However, if my advice changes I will certainly advise the Hon. Member.

MINISTER'S POSITION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is addressed to the same Minister. He is undoubtedly aware that in the last few days a piece of property was sold by the B.C. Government to a numbered company for $2.2 million and resold the same day for $10.5 million.

When the Minister was a back-bencher he advocated that the federal Government introduce a speculation tax. Will the Minister explain why he has changed his mind, and that it is not the federal Government's responsibility but a provincial responsibility?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as I explained to the Hon. Member, my current advice now is that such a tax is one that must be levied by the provincial Government. If my advice changes, the Hon. Member will certainly be advised. I share his concern about property flipping over at a great rate at very inflated prices.

Some Hon. Members: Oh, oh!

Mr. Redway: There is an awful lot of excitement from Members opposite, Mr. Speaker.

Mr. McCurdy: All the fire is gone!

Mr. Redway: Certainly, part of my discussions with the Province of British Columbia and with other jurisdictions is to try to co-operate to prevent things like that in the future.

* * *

• (1150)

[*Translation*]

THE ENVIRONMENT

CONTAMINATION OF SOIL AND WATER IN THE ROUYN-NORANDA AND VAL-D'OR

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is for the Minister of the Environment. A recent study tabled some months ago with the Québec Environment Department and made public by an environmental group in my region this week would show that the ground and streams in the area of Rouyn-Noranda and Val-d'Or are seriously contaminated by heavy metals. So, Mr. Speaker, since this is a serious situation that may endanger the health of my fellow citizens, I would like to ask the Minister whether he intends to verify these allegations with his Québec colleague and, if they are accurate, what does he intend to do to remedy this serious problem?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we are very concerned about the situation revealed by this study. I asked my officials to make the necessary checks and I intend to open discussions with my colleague, the Québec Environment Minister, on this subject.

[*English*]

FINANCE

FORTHCOMING BUDGET—EFFECT ON POOR

Mr. Bob Wood (Nipissing): Mr. Speaker, my question is to the Minister of Finance. There was a symposium on poverty in my riding recently. Research conducted by the Nipissing University revealed that one in every five children in my riding lived below the poverty line. That works out to roughly 4,000 children. My question is this. What can the parents of these thousands of children, where the household income of 900 of these children was less than $5,000 per year, expect from this Government in the Budget on April 27? What hope can be offered to the poorest of my constituents?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell the Hon. Member that this Government has always been attentive and will continue to be attentive to the neediest. And I will point out to him that the recent tax reform reduced income tax for 9.7 million households and that 850,000 low-income Canadians no longer have to pay income tax or they receive refundable credits. Income tax was reduced for some 1.3 million households with at least one person 65 or over. And I could go on, as the Minister of Finance did very eloquently a few days ago. So we are and will continue to be very attentive to the poorest members of society.

[*English*]

PLIGHT OF THE POOR

Mr. Bob Wood (Nipissing): Mr. Speaker, since the Minister obviously does not seem to know by his answer the meaning of the word poverty, it is kind of hard to tell that to the kids of Nipissing.

My supplementary question is this. Other than a likely value added tax on goods they cannot already afford, could the Minister indicate to the 250 families in my riding, who were forced to rely on the food banks in North Bay and in northern Ontario to feed their families last month, what concrete steps will this Government take right now to demonstrate that their plight really has been taken seriously?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, my colleague, the Minister of Finance, will show very clearly in the Budget what he intends to do. As for the tax you talked about, if you are talking about the

value added tax, the White Paper has already indicated and my colleague the Minister of Finance has said several times that basic groceries would not be taxed.

[*English*]

So I would like to repeat that my colleague, the Minister of Finance, has indicated very clearly that basic groceries would not be taxed whenever the value added sales tax is put in force in Canada.

* * *

NATIONAL DEFENCE

REPLACEMENT OF FULL-TIME JOBS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question, in the absence of the Minister of National Defence, is addressed to the Associate Minister of National Defence. In its desperate effort to increase its job creation figures, the Government has replaced full-time jobs with six-month service contracts on Canadian Forces bases throughout this country, and particularly in Kingston and the Islands. By doing this, the Government is able to claim that it has created two new jobs every year. Now that the election is over, will the Government abandon this short-sighted policy?

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I thought the Hon. Member would be congratulating us on the tremendous creation of jobs that this Government has undertaken in the past five years. I thought he would be congratulating us about the effort in all Departments of Government to conduct our work in the most efficient way possible. If this can be done with contractual arrangements, obviously we will look into that and use that wherever feasible and practicable to help the Government to save money.

REHIRING OF SIX-MONTH CONTRACT EMPLOYEES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, if I thought that the project were saving money I would not be asking the question.

Some Hon. Members: Oh, Oh!

Mr. Milliken: The fact remains that the administrative costs of this program are very great because job interviews have to be conducted on dozens of applicants every six months. A full-time person who filled a job before was able to do the job perfectly adequately. Now we have this rotating six-month arrangement. People on six-month contracts are frequently rehired because obviously they are the most experienced of the applicants the next time around. They sit idle for six months and then work for six. However, because they only work for half the year, they cannot get mortgages or bank loans or any sickness or other benefits. This is unfair.

Why will the Government not change this unfair policy? That is my question to the Minister.

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I was not quite sure what that question was all about. Obviously in our Department, as in every Department, we look at our requirement for personnel and the time frame for which we may need those personnel, and make the most appropriate arrangements. In this particular case we want to have the opportunity of reviewing those jobs on a regular basis. We will continue that practice in the public interest for the greatest efficiency and operation of our Department and of the Government.

* * *

MULTICULTURALISM

HEAD TAX PAID BY CHINESE IMMIGRANTS—REQUEST FOR COMPENSATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is to the Secretary of State who is the Minister of Multiculturalism. Early in this century the Canadian Government introduced racist legislation requiring Chinese immigrants to pay a Chinese head tax. This was followed by the discriminatory Chinese Exclusion Act. The Minister is aware of the proposals of the Chinese Canadian National Council which are very important symbolically in today's context to reaffirm Canada's complete rejection of any form of racism.

Will the Government on behalf of all Canadians and all Parties in this House now acknowledge the injustice of the Chinese head tax and take action as proposed by CCNC with appropriate compensation to elderly survivors who were forced to pay this tax solely because they were Chinese?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I certainly have met with members of the community and the leadership of the CCNC on a number of occasions. They have presented their proposals and certainly have helped explore and explain the issue as thoroughly as possible. Those initiatives have now been brought forward. They are under review and discussion.

REQUEST THAT PRIME MINISTER MAKE STATEMENT ON ISSUE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister had promised, after Japanese redress was settled, that this would be the next item for action. The Chinese Canadians in my riding and those throughout Canada are very concerned that this promise be fulfilled. In view of increasing racism in many of our communities it is particularly important. Will the Minister now assure the House and assure Canadians that he will personally take this matter to Cabinet and ask the Prime Minister to make a statement in this House, with the support of all Parties, to erase this past shame and tell the children of today that such discrimination will never again happen in this country?

Some Hon. Members: Hear, hear!

• (1200)

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I met my commitment to the community completely in my meeting with them and the manner in which I brought the issue forward. I want to tell her that from coast to coast the activity of this Government is being applauded in the area of multiculturalism, in showing the vision and helping in the understanding of all Canadians to create a more fair, more open, more accessible and more tolerant society.

People from coast to coast have realized the significant progress. I ask her to look forward to new legislation that will be brought forward creating the new Department of Multiculturalism and Citizenship, initiatives in race relations and the establishment of the foundation and heritage languages. There is much activity to help Canadians understand their cultural and racial diversity and how important it is to our identity.

Mr. Deputy Speaker: We will close Question Period with one question by the Hon. Member for Notre-Dame-de-Grace.

UNEMPLOYMENT INSURANCE FUND

FUNDING OF CO-OPERATIVE EDUCATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I was a member of two committees of this House that strongly recommended co-operative education, but we never recommended that it be paid for with unemployment insurance money. In the overwhelming number of cases, those who are eligible for co-operative education were not contributors to the Unemployment Insurance Fund and not eligible for unemployment insurance. In these circumstances, how can the Minister justify funding co-operative education with moneys that are supposed to help people when they are unemployed?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, let me repeat that the money that will be saved through the changes implemented in the Unemployment Insurance Act will go to unemployed people only. Those changes will enable the Government to have more flexibility in the Canadian Jobs Strategy which, in turn, will enable the Government to quadruple the amount of money we will put into co-operative education.

If the Hon. Member for Notre-Dame-de-Grace (Mr. Allmand) took the time to reread his own report, the report that the committee on which he sat filed in 1987—

Mr. Allmand: It never recommended paying for co-operative education.

Mr. Charest: —I think he would find that his own words were: "If we have the courage to seize the opportunities which this kind of expenditure provides, unemployment insurance can be more than just earning replacements while unemployed. It should be a vehicle to help people realize better and more stable employment opportunities in the future". That is what you said in 1987—

Mr. Allmand: Not co-operative education. For beneficiaries of the fund.

Mr. Charest: Why are you changing your mind today?

Mr. Allmand: Read the report.

PRIVILEGE

BREAK-IN INTO MEMBER'S OFFICE

Mr. Jim Fulton (Skeena): Mr. Speaker, I wrote to the Commissioner of the Royal Canadian Mounted Police at the beginning of March requesting an RCMP investigation into what I viewed then and still view today as a pattern of burglaries which now include my office here on Parliament Hill, the Canadian Environmental Law Association offices in Toronto, Science for Peace offices in Toronto, the Ontario Environment Network in Toronto, and the Green Party headquarters in Vancouver.

Following the break-in into my office on Parliament Hill, I met immediately with the Speaker and Sergeant at Arms, and then with House of Commons Security on a number of occasions regarding the break-in.

I believe my privileges have been affected because I have learned this morning that, according to Dr. Mendoza, my communication with him, which was completely proper, is now the focus of an investigation by the Department of National Defence. I have a right, as a Member of the House of Commons, to communicate with public servants and citizens generally about my duties and this should not be hindered. In fact, information that was not public but was tampered with in the break-in of my office has now been used in an investigation of a respected Canadian scientist.

Also this morning I received a call from an ex-serviceman who is concerned about the loss of a kidney which might be linked to Canadian military experiments, but expressed fear of giving his name, phone number or address to me as a result of the recent publicity surrounding these events. This directly affects my ability and capacity to assist Canadians, which I should properly be able to do. I believe that the combination of these events clearly constitutes privilege. If the Speaker considers that there is a question of privilege in relation to these matters, I am prepared to move the appropriate motion at the appropriate time.

Mr. Deputy Speaker: The Chair has a problem with the matter because the Chair does not feel it is a question of privilege arising out of Question Period. Therefore, the proper notice has not been given to the Chair.

However, if notice is given in the proper form, obviously the Chair would be willing to entertain the question of privilege at a later time.

Mr. Fulton: Mr. Speaker, perhaps I did not make it as clear as I should have. If the Speaker looks at the "blues" of the remarks by the Solicitor General (Mr. Blais), he will see that the Solicitor General indicated that, coming from his meeting with the Commissioner of the RCMP this morning, the RCMP are not undertaking an investigation of a pattern in the break-ins because I, as a Member, have not been in touch with the Toronto or Ottawa city police. I do not think in any way it is my role or duty to be asking for investigations of burglaries in Toronto or Ottawa.

I believe the Speaker, the Sergeant at Arms and House of Commons Security, if they believe they need assistance for fingerprinting or further investigations here on the Hill, are perfectly capable of doing so.

I think my privilege relates directly to the remarks of the Solicitor General.

[*Translation*]

Mr. Deputy Speaker: Does the Solicitor General want to respond? The Chair recognizes the Solicitor General.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Briefly, Mr. Speaker. I would like to read the blues to check what I said because the words reported by my colleague from Skeena (Mr. Fulton) are not quite accurate. I mentioned—I would not want to comment on what was said during Question Period concerning inquiries which have nothing to do with the Hon. Member for Skeena.

As to his own situation, his own allegations concerning his personal situation, what I said—I would want to check the blues, Mr. Speaker, and I do not know whether it is possible to find out how long that would take, but I would rather not comment on what I said. We will see what I said and take it from there, Mr. Speaker. However I do not think that what the Hon. Member has just said exactly reflects my own words because the issue is getting complicated. I prefer checking the blues if that does not take too long, I do not know but I would rather look at them, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: If the Hon. Member for Skeena (Mr. Fulton) would agree, the Chair would propose that

the Hon. Member for Skeena give a formal notice to the Chair as to the matter of privilege. In the meantime we will look at the "blues" and *Hansard*. We will then discuss the matter again whenever the Member for Skeena would wish. Is that agreeable?

Mr. Fulton: Yes.

* * *

THE LATE JAMES EDGAR WALKER

Hon. Bob Kaplan (York Centre): I rise to share with the House sadness at the news of the death of James Edgar Walker, a former colleague and friend who was known by Canadians as Jimmy.

Jimmy was much loved in this place on all sides and in the community which he represented so ably here from 1962 to 1974,namely the riding of York Centre in North York which I now have the honour to represent.

Jimmy died in a hospital bed in Toronto on Wednesday. He was 77. His beloved wife Lillian and his sons John and James were close at hand. He came to the House in 1962, a veteran of World War II, and a veteran also of North York municipal politics, already well known and respected in our community of North York.

He filled many assignments here with distinction during his long career, but there is no doubt that the most difficult and challenging one was that of Chief Government Whip in the minority Liberal Government of Lester Pearson. Jimmy's assignment was bringing out the troops, often for surprise votes at all times of the week and at all times of the day, under unrelenting House rules, which have long since been repealed because of their inhumanity.

This assignment took its toll on Jimmy and that should be recounted here, as should his service to Prime Minister Trudeau as Parliamentary Secretary. I do not know of anyone around here today like Jimmy. In the days when social service was not a normal part of a Member of Parliament's job, he was deeply involved in problem-solving for his constituents. He cared for his people and their needs, and his colleagues here all benefited also from his friendliness, and from his availability to give advice and to help us. He was always optimistic and he was always positive. He spoke well of everybody.

I think that Jimmy could have been elected to this place forever, whatever stripe the Government happened to have. His decision to step down in 1974 and to encourage me to come back to Parliament in this seat, gave me an opportunity for which I will always be indebted to him. To his family, Lillian his beloved wife, to his sons John and James, we send our sympathy.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, on behalf of the Prime Minister (Mr. Mulroney) and the Government of Canada I want to join with my hon. friend, the Member for York Centre (Mr. Kaplan), in paying tribute to a very dear friend and very outstanding and special Commoner, Jimmy Walker, who has departed. I concur with all the sentiments that have been expressed by the Hon. Member for York Centre. In so doing, I simply want to reinforce the fact that to me and I am sure to many others, Jimmy Walker was considered a very decent person and a very honourable man, one I would consider a friend.

• (1210)

I recall when I first came to the House in 1968, Jimmy Walker was one of the first Members to come across the floor to introduce himself. I learned at that time that he was born and raised in Vegreville and we became very, very close friends from that day hence. As the Hon. Member for York Centre had indicated, he was always there to lend a helping hand and to reach out, and he certainly did that for me. He was a friend. He was always helpful. He reached out to help other Hon. Members from all sides of the House. I think that was really one of the very basic qualities of Jimmy Walker. He really was that kind of a person, always seeking ways and means of helping people.

When I came here in 1968, I presume his role as Whip was a little easier than it was during the minority years. Nonetheless, being a government Whip is never an easy job. He discharged that responsibility in a very exemplary fashion.

As a Member, he defended his principles and ideals with vigour but he did it with dignity and honour. We all come here as members of a certain political Party, but Jimmy was certainly not noted for his partisanship. He was very even- tempered and he was more interested in the final results. He set an example in maintaining the very highest and finest traditions of parliamentary democracy.

He was a great House of Commons man, he was a tremendous people person and he dedicated his life to helping people. He was a family man, he had a distinguished military career and he was a very successful business person. He was a great Canadian, but I think most of all, we can hold Jimmy Walker up as a clear example of what a Member of Parliament should be. In so many respects, I think he epitomized the finest qualities of a Member of Parliament.

On behalf of my Party, and I know on behalf of all Hon. Members, I join with colleagues opposite in expressing our deepest sympathy on his passing. He was a great Canadian who will be sadly missed.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, on behalf of the New Democratic Party, I would like to associate ourselves with the words of the Deputy Prime Minister (Mr. Mazankowski) and the Hon. Member for York Centre (Mr. Kaplan) and say a few words about the passing of Jimmy Walker. The Leader of my Party, myself and those others of us in the NDP who knew him were very saddened to hear about his passing. He was a Member of Parliament from 1962 to 1974.

I can remember when I was first elected with the Hon. Member for Vegreville in 1968, Jimmy Walker was one of those friendly Members of Parliament who came across and made himself well known to members of other Parties. He was certainly very well liked and highly respected by those of us on the opposition side. I recall him being a conciliator, a bit of a peacemaker in terms of the operations of the House of Commons. He was the Parliamentary Secretary to Pierre Trudeau, and I think that showed the respect that the Prime Minister of the day and the Liberal Party of the time had for the conciliation abilities of Jimmy Walker.

If I remember correctly, Jimmy Walker was a progressive Liberal, a person concerned about the disadvantage in society and what he could do for people who were less fortunate. He retired in 1974, and as his successor said, there was no doubt that if he had run again in 1974, he would have won the seat. However, he retired to become a citizenship judge. Those of us who knew him will miss him.

[*Translation*]

Mr. Speaker, I would want to extend my personal condolences and those of my Party to his wife Lillian, his two sons James and John, and his seven grandchildren.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN MORTGAGE AND HOUSING CORPORATION

PRESENTATION OF ANNUAL REPORT

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I am pleased to table today in the House, in both official languages, the annual report that Canada Mortgage and Housing Corporation, the Canadian housing agency, is presenting to Parliament for 1988.

[*English*]

It was a year marked with real achievement in helping Canadians secure suitable and affordable housing.

[*Translation*]

We go forward on these successes to meet the challenge of the future, to further improve the quality of life for Canadians.

* * *

PETITIONS

GOVERNMENT RESPONSE

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to all petitions presented during the First Session of this Parliament, that is, those numbered 341–0001 to 341–0016 inclusive.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

THE ADMINISTRATION

TABLING OF ORDER IN COUNCIL APPOINTMENTS

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am also pleased to table, in both official languages, a number of Order in Council appointments which were made by the Government pursuant to the provisions of Standing Order 110(1). These are deemed referred to the appropriate standing committees, a list of which is attached.

Supply

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

PETITIONS

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of certain constituents of my riding, a petition which has been certified correct as to form and content. The petition calls upon Parliament to ensure that private music lessons not be the subject of any taxation measures to be implemented by the Government.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all remaining questions stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY, S. O. 81—POST-SECONDARY EDUCATION FUNDING—NATIVE PEOPLES

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

> That this House recognize that the Government's arbitrary and misanthropic policy of unilaterally capping future funding for post-secondary education for Canada's native peoples severely undermines the right and efforts of these peoples to enhance their capacity to make meaningful and lasting improvements to their economic and social conditions and to establish their self-reliance, thereby condemning them to unacceptable living conditions and driving them to desperate measures; and
>
> That this House urge the Government to terminate its plans to cap this funding and take steps to establish effective bilateral consultations on this and other matters vital to the improvement of the lives of and the ending of discrimination toward these Native peoples.

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, before dealing with the post-secondary education program, I would like to start by commenting on certain remarks made by the Leader of the NDP with respect to Mr. Yalden's report tabled last week. I think the Leader of the NDP, the Hon. Member for Oshawa (Mr. Broadbent), accurately summarized certain statements in Commissioner Yalden's report, which we have of course read very carefully.

I believe Mr. Yalden described a situation that does in fact exist. Unfortunately, I feel that he failed to mention certain improvements that have been made over the years. I also believe that although governments have made considerable efforts in recent years to deal with the situation, a great deal remains to be done, and that being understood, I partly agree with Commissioner Yalden's comments, and I am sure that in the months and years to come, there will be many opportunities to discuss these issues.

[*English*]

With respect to this particular subject of post-secondary education, I am obviously glad to have the opportunity to address this issue fully in the House today. It is plagued by serious misunderstandings. I hope that the remarks made here today will give all students, including the ones who are on the hunger strike, Members of the House, and all Canadians a much better understanding of the new policy and guidelines on Indian post-secondary education assistance.

• (1220)

I am obviously very concerned with respect to the hunger strikers. I know that they sincerely believe in the validity of their actions. I have asked them to believe in my desire to hear their views fully and to respond to them.

I believe that we are far closer on this issue than the controversy today suggests. We share common objectives and equally strong commitments to meeting them. Over the months ahead we can sit down and work out specific concerns with the program. Today I particularly want to focus on the program and the guidelines, and attempt to explain them fully, and to explain why changes were necessary and why they are beneficial.

The Government is proud of this program, as are Indian people of their graduates. We need to overcome the serious misunderstandings that have arisen and have now become so charged with emotion and controversy. I want to establish good communication, and an effective working relationship with Indian people on this issue. I hope that the debate in the House today can serve those

objectives. I want to reassure Indian people across the country who are concerned about this program that I recognize their concerns and have always been ready to discuss them. As I have indicated from the outset, I am ready to start a bilateral process as soon as possible to formally address these issues and other related ones.

We are facing difficult times. Several major issues face us. The Post-Secondary Education Assistance Program is one of the most important of those major issues. We have to deal with it. I know that education is the best way to heal the social malaise and physical hardship that now afflict too many Canadian Indians. I know that the greatest hope for strong, vital Indian communities in the future is education. I know that Indian people have the talent, will, and commitment to make education work for them. I know that last fact because assistance for Indian post-secondary education is one of the most successful programs the federal Government has ever undertaken.

Under the previous policy, the number of post-secondary students increased from 3,500 in 1977-78, when the E-12 guidelines were introduced, to some 15,000 in 1988-89. During the same period, the budget for this program grew from $9 million to close to $130 million. Nevertheless, even the most successful policies need updating and revising from time to time to meet changing needs and emerging trends.

In this case, there is a need to increase the number of successful graduates of the program. Further, there is a need to encourage more Indian graduates who are able to help make self-government and economic independence a reality for their people.

One year ago, my predecessor launched a consultation process to consider revisions to the previous policy. A draft policy proposal was sent to all regions of the country. We were committed to formulating a policy that met Indian needs and Indian aspirations.

The concerns and recommendations of these groups are reflected in the revised policy. For example, the old policy system of limiting the length of student support to a specific number of student months has been changed to a system which provides for up to five years for a four-year program, and up to four years for a three-year program.

The previous wide range of regionally determined rates of assistance has been replaced by a nationally consistent rate structure. Average rates provided to students in most categories under the old guidelines have been increased under the new policy.

The earlier draft policy identified only a $1,000 scholarship for studies for self-government and economic self-sufficiency. A strategic studies scholarship of up to $3,500 per year has been developed under the revised policy. An academic achievement scholarship has been added which is up to $1,000 annually for qualified students. A special allowance has been provided in high-rent cities for single parents with dependants, and married students with both dependent spouses and children. Tuition fees are now covered regardless of time spent in post-secondary education. One result is that there is no limit to the number of degrees for which tuition, books and supplies are provided.

Those are ways in which our consultations with Indian people have helped make this policy a vast improvement over the old policy. However, those are only part of the whole range of benefits that would be available to eligible students under the new policy.

To summarize all those benefits, I would like to underline the following. Complete tuition assistance is provided to eligible full-time and part-time students. This includes fees for registration, tuition, and the cost of books and supplies required for a particular course of studies. Full-time students who must live away from their permanent places of residence may qualify for travel grants back to their homes once every semester for themselves and any dependants who reside with them. Students living away from home will be eligible to receive monthly allowances to help cover their living expenses, for example, food, rent, hydro, daycare, calculated by the Social Planning Council of Metropolitan Toronto according to the costs of living in Toronto, which are higher than anywhere else in Canada. In addition, under certain circumstances provisions have been made for increased allowances in high-rent areas.

The following is an illustration of some examples of levels of assistance. A single student living away from home will receive a maximum monthly living allowance of $675. A married student with an employed spouse and three dependants will receive a maximum of $1,205 per month. A single-parent student with three dependants will receive a maximum of $1,355 per month, plus a rental supplement where applicable.

Students will be eligible to receive funding to complete community college diplomas, certificates, undergraduate degrees, Masters, Ph.D. or professional degrees. Student allowances will be provided for the official length of each successive academic program: three years for a three-year program, four years for a four-year program. An additional year may be provided for a particular student to complete a degree or diploma program at each level.

Therefore, successful students will experience no difficulty in obtaining support through all the academic levels to the conclusion of a professional degree in law or a graduate program such as a Master's degree or a Ph.D.

Administering organizations, bands, tribal councils, education authorities, or other Indian organizations may also offer special incentives to eligible students in addition to the allowances provided under the basic policy.

For example, academic achievement scholarships of up to $1,000 may be granted to community college or undergraduate students who attain an average B or higher. Strategic studies scholarships may be granted for undergraduate students which may be worth up to $3,500 to encourage them to follow courses such as commerce, public or business administration, economics, applied and physical sciences, mathematics, computer science, forestry or engineering, courses that would contribute directly to achieving self-government and economic self-reliance in Indian communities; and awards of up to $1,500 for full-time students enrolled in advanced or professional degree programs such as Master's or Ph.D. programs.

Under the new policy, those administering organizations will have an even greater opportunity to participate directly in the post-secondary education process.

• (1230)

The new policy is sufficiently flexible to allow administering organizations to establish their own operating procedures provided these are consistent with the policy and respect the maximum rates and limits of assistance. To ensure fairness and equitable treatment under the policy, administering organizations will have to have an appeal process in place. The new policy also requires the establishment of a student registry that will greatly improve the data base for the program.

We need to work together with administering groups to establish an improved system for research and data collection. Two-thirds of the program is managed by bands, tribal councils, education authorities and other Indian groups. It has been very difficult in the past, Mr. Speaker, to obtain full statistical information. Therefore, cost projections from year to year have been based on historical trends in expenditures rather than actual demand. We need better information in order to plan and to forecast demand and costs. Because the new policy relates to support for individual students, provides incentives and scholarships and has a rate structure based on individual student costs, the budget for this fiscal year has been set on those criteria. However, if the data indicate there should be changes in financial resources in the future, I am prepared and will ask Cabinet for increased financial resources for the coming years to meet those growing demands.

I would like now to say a few words about treaties. I recognize how strongly Indian people feel about treaties. For Indian people treaties are fundamental to their existence as a people. They represent the contract that the great chiefs and their people signed with the Crown. They form the basis of the historic relationship between Indian people and the federal Government. My Government respects and values that relationship and so provides elementary and secondary education to Indians who reside on reserves. This commitment has been formalized in the Indian Act. In fact, my Government goes beyond the Indian Act and provides educational and support services far beyond what is required by the law. Our support includes pre-kindergarten, kindergarten, and post-secondary programs. With our elementary and secondary education programs I believe that my Government is observing the full spirit and intent of the education references in the treaties, but I do not agree that post-secondary education is a treaty right.

We must strengthen our policy commitment to encourage Indian people to attend colleges and universities and to graduate with the skills that much of the rest of this country takes for granted, skills necessary to develop the special potential of this vital part of our population. Therefore, Mr. Speaker, we must all maintain our strong support for this program and to improve it in every way possible.

I have indicated my willingness to review the specific terms of the new policy. We have approximately four months before the program becomes operational. We should use that time to correct any inequities in the new policy that together we can identify. If it is determined that more is required to complete the review, then we will determine it at that time and take more time if necessary.

I am willing to sit down with the chiefs and student representatives to design a bilateral process of consultation on post-secondary student assistance as they have requested. I believe that this policy is better than the previous one. However, there may be some areas where there could be further improvements, or areas where there are unintended inequities. I have stated from the beginning that I am prepared to look at these if they can be demonstrated.

In this great country we share, there is a tradition of democratic processes. These include discussion, negotiation and, yes, even criticism. The goal we all strive for is a fairer, more productive Canada for all its citizens and I am prepared to contribute to that and to obtain the appropriate means in order to ensure post-secondary education for our native people.

Mr. Flis: Mr. Speaker, in this morning's Ottawa paper I was amused by a clipping under the heading "Indian Affairs stonewalling either dumb luck or genius". The writer was Frank Howard who was calling the Indian and Northern Affairs Department trying to obtain some accurate data on this whole issue which was brought to the nation's attention by the hunger strike. Of course, it took an opposition day to get the Minister on his feet to give us some facts and figures.

Mr. McDermid: That is not right. Be fair.

Mr. Flis: Let me quote the reporter:

> In the face of Indian hunger strikers, the Department has been inept in its media relations—or maybe not.
>
> It seemed inept earlier this week when I was looking for numbers about the make-up of the 15,000 or so people claiming access to some $130 million per year for keeping them and their families on campus.
>
> I wanted to know how the money was being spent, how many of the recipients were in community colleges, specialized institutes, post-high school re-entry courses, university under-graduate courses, graduate courses and so on.
>
> The department's first response at the bureaucratic level was that questions could only be answered by the Minister's office.

Since you are rushing me, Mr. Speaker, could the Minister tell this House what percentage of the students who enter post-secondary education actually graduate with some sort of a degree or a diploma? Second, what is the make-up of the approximately 15,000 students who claim access to this annual $130 million cap which the Minister has put on?

Mr. Cadieux: Mr. Speaker, I obviously welcome the Hon. Member asking this question. Of course, he is entitled to make whatever comment he desires. I would point out to him that I have been on my feet for a while now answering the concerns of the members of the Opposition but I have not seen the Hon. Member on his feet asking questions.

Mr. Flis: You will.

Mr. Cadieux: That being said, I only say this because of the particular comment made by the Hon. Member which I thought was unfair, and unfortunately I am just as fair as he is.

With respect to the particular newspaper article, I respect the views of all people of the press and I am sure they express what they have to say in their own articles whenever they want to.

If the Hon. Member listened very carefully to the comments that I have just made, let me stress that I indicated that 66 per cent of the program is administered by the bands and councils themselves. We do need an enhanced co-operation and communication in order to establish as precisely as possible the correct data with respect to this program. There was not a sufficiently good system of control with respect to the moneys invested in this most important program. That was one of the flaws of the old policy. What we want to establish is a better system to evaluate the needs and the costs so that I can go on an annual basis to Cabinet and request the appropriate funds in order to meet the needs of post-secondary education of our native people.

Mr. Flis: You did not answer my question.

• (1240)

Mr. Fee: I would like to commend the Minister for his presentation. He has done an excellent job of presenting it, and his sincerity in presenting it is evident. There have been a number of criticisms that have come out. We have read them in the media. We have heard them in the House. There is one that he did not mention in his

comments, and I would like him to elaborate on the criticism that I have heard from a few people, that this program appears to dictate to certain Indian students which educational institutions they will attend, and what courses they will take. Will the Minister comment on whether that is his intent?

Mr. Cadieux: Mr. Speaker, we do not dictate which course a student has to attend, or which institution a student has to attend. We recognize that there are domains that perhaps are not gone into sufficiently by Indian students. Bearing in mind the ultimate goal of self-government and self-sufficiency, we have designed some incentives in this particular program, in order to encourage students to consider these particular programs and courses, so that they can obtain degrees in those domains in order to help, enhance and achieve the ultimate goal of self-government and self-sufficiency.

Mr. Skelly (Comox—Alberni): One of the things that the Minister did not mention was the objective of equality in terms of participation rates for native students and non-native students. Mr. Yalden had discussed this in his Human Rights Commission report. The Leader of the New Democratic Party (Mr. Broadbent) discussed this in his speech, that if we are to obtain equity between the participation of native students in post-secondary education, which is now around 4 per cent, as opposed to the population of Canada as a whole, which is around 27 per cent, a substantial amount of Canada's resources has to be allocated in order to achieve that equity. That should be our goal. I believe the Minister indicated that at the close of his statement.

I am wondering exactly what the Minister's goals are. When does he intend to achieve that equity, and over how short a period, because we should be talking about a relatively short period, the shortest period feasible? Is the Minister willing to allocate resources, in order to achieve equity over the shortest period possible? Is that his goal?

Mr. Cadieux: Mr. Speaker, as I indicated at the beginning of my speech earlier, when I addressed Commissioner Yalden's report, unfortunately the Commissioner did not acknowledge in his report things that had been done. It is a fact that more has to be done. I appreciate that particular question. We have to bear in mind what has been done. In 10 years, we went from 3,000 students to 15,000 students. There was a fivefold increase. Right now what we are trying to establish and determine, in co-operation with the bands and councils that administer two-thirds of our program, is the obtaining of the most accurate data, so that I can have the needs, evaluate the costs and request the appropriate money.

Mr. James: The new post-secondary policy that we are talking about today has been criticized by some people as reducing the length of time that support will be forthcoming to the students and that this could possibly restrict their long-term education goals. I ask the Minister, what does the policy really say? I think there is some confusion there.

Mr. Cadieux: Mr. Speaker, the policy does not restrict Indian students is obtaining degrees. The policy states that if an institution, college or university determines that a given course should be completed in three years, then that course should be done in three years. Notwithstanding that, recognizing and acknowledging that in certain circumstances there may be difficulties or problems with respect to a given student, for example, if the institution recognizes that a particular student needs an additional year in order to complete that particular course or obtain that particular degree, we will acknowledge that. We will acknowledge that also for whatever consecutive degree a student wants to obtain.

Mr. Harb: I would like to congratulate the Minister. I enjoyed his speech very much, especially when he indicated his intention to meet with the different groups, and when he spoke about the consultation with the different groups. I am interested in seeing some sort of an administrative support system to make an assessment of the program on an annual basis, so the Ministry could have the information the Minister was talking about. In light of the fact that we do not have all of the data, for example, what the success rate and the attrition rate are, I believe it would be very difficult for the Ministry to embark on a capital project without having all of the elements. In view of the fact that over the past four years we have been fishing in the mud, will the Minister tell the House what his intention would be over the next three months in order to get out of this dilemma, and in order to give the House a proper assessment of the actual costs for the program, over the next year, or over the next five years? The more money we spend on education, the less money we spend on welfare and UIC. Will the Minister please tell us his intention?

Mr. Cadieux: Thank you, Mr. Speaker. I would like to thank the Hon. Member for his most reasonable comment. The intention from the very start is relatively clear. We want to pursue this very successful program in post-secondary education for Indian students. I believe the numbers speak for themselves. As we have already indicated on numerous occasions, it went from $4.2 million to a $130 million, and from 3,000 students to 15,000 students. We are committed to pursuing this program. We recognize also that education is a solution to improving the situation of our native people.

What I have indicated from the outset when I announced the policy, is that it would have to be reviewed regularly. What I have also announced and agreed to since then, is to establish a bilateral process in order to obtain the data that we absolutely need to establish on a year-to-year or on a five-year prediction, the needs that we are going to encounter, so that we can plan and receive the appropriate funds, in order to recognize and enhance this post-secondary education program. My intention from the start has been to sit down in normal circumstances, go over the data and information plan and go to Cabinet to plead this case.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand).

Hon. Warren Allmand (Notre-Dame-de-Grâce): Thank you, Mr. Speaker. Let me focus on the key issue in this debate. We have here a growing number of young Canadian Indians who want to go on to university and college, to improve their human condition, to get off the welfare merry-go-round, and to escape poverty, but the Government is putting restrictions on their ability to do this. That is the issue in this debate. The Government is doing this by capping the funds available for Indian post-secondary education, at a time when the Indian population is expanding and more Indians are qualifying for university. What kind of perverse logic is that? It is almost as if the Government would prefer to continue paying out welfare moneys rather than help people get off welfare.

In a recent article in *The Globe and Mail* by Peter Desbarats, the dean of journalism at the University of Western Ontario, Mr. Desbarats said the following: "For centuries we have been telling native people that education is the road to self-reliance. As soon as they started to follow this advice in significant numbers we backed away from it. Surely, the impact of this type of hypocrisy on the Canadian native population will in the long run be more costly than the relatively small amount of money it will save".

• (1250)

In 1982-83 I had the good fortune to serve on the Special Committee for Indian Self-Government chaired by my former colleague, Keith Penner, the Member of Parliament for Cochrane—Superior. I say "good fortune" because during those two years we had the opportunity to travel across the country and to meet Indian people in all parts of this land, to visit their lands and to find out about their dreams and their ambitions. When we published our report in 1983, before making recommendations we catalogued some of the social conditions faced by Indian people in the country at that time. I would like to detail some of them.

In terms of child welfare the proportion of Indian children in care had risen steadily to more than five times the national rate—five times higher than the non-Indian population. In terms of housing, nearly 19 per cent of on-reserve homes had two or more families living in them, these conditions affecting 40 per cent of all status Indian families. Facilities: fewer than 40 per cent of Indian houses had running water, sewage disposal or indoor plumbing facilities. The national level of properly serviced houses is over 90 per cent. The average income of Indian people is one-half to two-thirds of the national average. The death rate, despite improvements over the past 10 years, is two to four times the rate for non-Indians. The infant mortality rate among Indian children is 60 per cent higher than the national rate. The life expectancy for Indian people is 10 years less than for non-Indian people.

That was in 1983. The conditions have not improved that much since that time. If we look at the report of the Canadian Human Rights Commission, which was published just a few weeks ago, we see that Mr. Yalden stated: "The situation faced by Canada's native peoples is in many ways a national tragedy. The grand promise of equality of opportunity that forms the central purpose of the Canadian Human Rights Act stands in stark contrast to the conditions in which many native people live".

Mr. Yalden went on to state: "Native peoples are drastically under-represented in employment in virtually every industrial sector and every occupation, even in locations like Winnipeg or Regina where there is a high concentration of natives. Within federal government Departments themselves, where programs to promote native hiring have been in place for some time now, the representation of native peoples is abysmal in all but the Department of Indian and Northern Affairs". Those are the social conditions that are facing the native people of Canada.

I spoke a moment ago about the dreams and ambitions of Indian people. I just want to refer Hon. Members to a special study that was done with respect to our Indian people by *The Free Press* of Winnipeg on October 14, 1988. In carrying out this study the newspaper conducted an inquiry among Indian children as to what their ambitions might be. I would like to quote from some of the letters that were sent in by Indian children on the reserves.

Anne, a 13-year old girl, wrote: "When I grow up I would like to be a store manager and I would like to help the old people find what they want. First I will finish my education and go on to high school and university. Then after that I would come home and be a store manager".

Linda, 12 years old, wrote: "I would like to be a police girl because I do not like people getting drunk and if they do I will make sure they are not getting hurt and my family will be very proud of me, of being a cop, that I will be a cop forever and I will never break one rule. I won't drink".

Candice, who is 11 years old, wrote: "When I get out of school I will go to school at Brandon University. I am planning to be a teacher when I grow up. My Mom is a teacher".

The citations by young Indian people with respect to their ambitions and with respect to their dreams goes on.

One must not forget in this debate that in the last Parliament we passed Bill C-31 which greatly added to the number of status Indians in Canada. The estimate is that the number of people who have been added to the rolls of status Indians as a result of that law is between 30,000 to 80,000. We cannot get an exact figure, but it is relatively high.

In the debate so far there seems to be some confusion on the government side with respect to capping. Some have said that there is no cap. Then, earlier this morning in answer to questions from the Leader of the NDP the Minister admitted that there is a cap. There is a limit on the amount of money available to the students for post-secondary education. No one has said that the Government has cut back on the funding. We have not said that. Of course there have been increases in the funding. However, there has been a limit on the increases in the funding. The increases have not been sufficient to cover those people who are qualified for university and accepted by universities.

I would now like to refer to a brief that was sent to us by the Federation of Saskatchewan Indians who stated: "The new policy and guidelines would create undue hardships for Indian students. The capping of the funds available, combined with demographic realities that accelerate demand for post-secondary education by Indian students, would severely limit the financial resources available on a per-student basis, and effect a reduction in the numbers and success rates of students enrolled in universities, and other post-secondary institutions already under-represented by 50 per cent in comparison to enrolment rates of the general Canadian society. Indian participation in post-secondary education should be promoted and increased, helping to raise, not lower, the proportion of Indians in post-secondary education".

With respect to this capping, as I have said, there is some misunderstanding. Perhaps I could put it this way for purposes of the Government and the public. Let us consider a program such as Old Age Security. Under that program when someone turns 65 he or she receives Old Age Security, whatever the fixed amount is. No matter if the health rates improve or if the population increases, as soon as someone turns 65 and no matter what the numbers are, they all receive Old Age Security. We do not say to them: "There is only a budget of so much and, unfortunately, the budget level has been reached and now we must reduce the Old Age Security. It is first in, first served". We have a program which states that no matter how many people turn 65 they will receive the old age security pension. That is a program without limit, without a cap.

In the program that is put before us and what the Minister is doing is putting a limit on the amount of moneys available for Indians in post-secondary education. He is saying that they will only be admitted into the program up to the point of reaching that limit. What we are saying, and what the Indians are saying, is that all Indian students who are qualified and are accepted to university should have the right to go to university without limit.

This is not a great number of people. It is increasing, certainly, and I mentioned the figures in that regard. However, the total number of Indians and aboriginal people is at most one million. A few years ago we had about 300,000 status Indians. Perhaps that number has gone up to 400,000. There are 15,000 Indian students in post-secondary education. In the City of Montreal we have more students in post-secondary education than 15,000. That is not a great number. So perhaps there is another 1,000 or another 2,000. Surely a rich country such as Canada can afford to pay for that. There should be no capping with respect to these people.

• (1300)

I do not doubt the Minister's sincerity, but he is part of a Government. He is subject to the restraints of the President of the Treasury Board (Mr. de Cotret), and the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney) and so on. When he is enunciating a policy, he has to enunciate it in the context of what they will permit. Unfortunately, it is a very narrow approach that they are taking. Those young people who are risking their lives in this hunger fast have not been risking their lives for nothing. They are risking their lives because they understand that they will not be able to get the education they need. That is a serious matter.

Once again, I say there should be no cap. All those Indian students who are qualified and accepted by universities should be given the financing necessary to pursue their studies. The alternative open to them, Mr. Speaker, is welfare. When I was sitting with the Special Committee on Indian Self-Government, we heard people asking, Why should there be a special program for Indian post-secondary education? Why should they have a program that is different from any that we non-Indians have? The answer, Mr. Speaker, is that such a program is part of our settlement with the native people, with the aboriginal people, for occupying this land that once was all theirs. At one time, all this land that is now Canada was the land of the aboriginal people: the land, the water, the mines, the resources, the oil, the gas. It was all theirs. We came from Europe and elsewhere and occupied the land in great numbers, and very often pushed them off to the less productive lands.

In turn for taking a lot of their land, we made agreements, sometimes in treaties, sometimes not in treaties, on the basis of their aboriginal rights to pay them back for that land. We have not paid very much. Part of the pay-back is funding for post-secondary education. If we look at the result of the takeover of this land by the European peoples, who is rich and who is poor? The people who owned the land in days gone by are certainly not the rich people. They are not controlling this country and this land. So the least we can do is have a generous program for education, especially post-secondary education. This is small payment for the lands that we took, lands which are making most of us rich. That is a small compensation that we who have come from European stock and other stock can pay to these people who once owned and occupied all of this land.

In conclusion, Mr. Speaker, let me say this. In a recent report on aboriginal justice, it was pointed out that a native child today has a better chance of ending up in jail than receiving a university degree. George Erasmus, the President of the Assembly of First Nations, has pointed out that there is no cap on native welfare programs, but there is going to be a cap on native education programs. It will be far cheaper in the long run to help Indian people with their education than to perpetuate the cycle of welfare and dependence. In considering these matters, I would ask the Minister and the Government to reconsider their foolish policy of limiting this money for our Indian people.

Some Hon. Members: Hear, hear!

Mrs. Dobbie: Mr. Speaker, the Hon. Member enjoys quoting from *The Globe and Mail*. I would also like to quote an editorial from *The Globe and Mail* of April 20, 1989, where it states, "We have trouble finding Ottawa's position unreasonable". *The Globe and Mail* goes on to say that "the principle of imposing a budget on the program and making students more accountable for completing their degrees within a reasonable amount of time is not the ogre its critics make it out to be."

I would like to know how the Hon. Member can argue that the program has been capped or that it has been decreased when it has been increased so significantly.

Mr. Allmand: Obviously the Hon. Parliamentary Secretary was not listening to me. At no time did I say the Government has cut back on the program. They have not. They have increased the program. We admit that. But they have not increased the program to the limits that are necessary, and they have put a cap on. That is clear in the letter that was written by the Minister to the Chiefs of Canada. This was quoted earlier by the leader of the NDP and by my colleague. It said:

> The time has come for a major reappraisal to determine how the program could produce larger numbers of graduates within a budget that could not continue to grow at the pace of the last decade.

They are increasing the budget, but they are increasing it with a cap on it. The Hon. Member referred to *The Globe and Mail*. *The Globe and Mail* congratulates the Government for putting a cap on it—that great Tory newspaper. In an editorial of April 20 headlined "Native students and higher education", they say:

> This month, Ottawa did to this assistance program what it has done, or will be doing, to other programs it finances. It set a global budget for the spending, to control expenses and impose some discipline on students taking advantage of the program.

So *The Globe* sees that they are doing that and congratulates them for it. I do not agree with *The Globe*, Mr. Speaker. What we are saying is that this is not the kind of program where there should be a limit. This should be like the old age security program. In the old age security system, if you turn 65 you qualify and the Government has to provide the money. We are saying that if you are an Indian student and you qualify for university and you are accepted, you should get the money.

Some Hon. Members: Hear, hear!

Mr. Shields: Mr. Speaker, I have always found my hon. friend for Notre-Dame-de-Grâce to be very reasonable. We have served on committees together on Indian Affairs and Northern Development. I find it difficult to understand why he continually refers to a budget item as a cap. He says it should work exactly the same way as old age security. I know he recognizes that when budgeting takes place in the Department responsible for old age security, we have the data, we have the figures, we know what to budget for, as his Government did, and as our Government has done. What we are budgeting for is old age security. How much is the Government going to spend? With the best available data that the Indian Affairs Department had, they budgeted $130 million for post-secondary education feeling that they had covered every student. This was the budget. This is what they felt was needed for every student who qualifies for post-secondary education to be included within that $130 million.

The problem that we are having is getting all of the data together. That is the push that the Department is trying to make now, to gather the data together. Surely, the Hon. Member does not believe that we should just submit a zero figure, or a question mark, when we are budgeting. Surely he does not believe that. It has to be a budget item. That is what it is, a budget item. It is not a cap. If the budget is out, it will be increased the following year.

If the budget is too much the following year, it will be reduced. But we need the co-operation of the bands who administer the funds in most cases. We need to have the figures on those students who are streaming in. If you go to any school board, they budget. If you go to any university institution, they budget. That is what we are talking about; it is a budget. It is not a cap. If more money is needed, more money will be put in the budget. That is what it amounts to, and I would ask him to comment on that.

• (1310)

Mr. Allmand: Mr. Speaker, unfortunately the Minister and the Department of Indian Affairs and Northern Development do not have full control over that matter. Even if their forecasts were good and they could forecast exactly how much money they would need for all the Indian students who might be qualified for university, they have to go Treasury Board, the Minister of Finance (Mr. Wilson) and the Privy Council Office. I served in that particular ministry. I know.

We also know that right now the priority of the Government is to cut the deficit. It will be making cut-backs in all kinds of departments. It is the Government that budgeted. We do not know whether that is what the Department of Indian Affairs and Northern Development recommended. All we know is what has come from the Government. It has budgeted an amount of money that many people say is inadequate.

For example, Chairman Beth Brown, president of the Canadian Student Federation said that under the old policy, enrolment of native students in post-secondary schools rose to about 15,000 from 2,500 in 1974. She says that the restraints that are being proposed means that 1,100 students would not be able to attend college or university in September. That is what the president of the Canadian Federation of Students says.

I also remind the Member that in the days when our baby boom children were going to school, we did not put a limit or cap on our public school system.

Ms. Dobbie: We had a budget.

Mr. Allmand: If there were children ready to go to school, we built the schools, hired the teachers and made sure they had a place to go to school. We did not say that because of the budget it is too bad, that child got in first and that kid cannot come in. There was universal access to education at the public level. We took care of all the children who wanted to go to school. That is what should be done with native people in this country.

Mr. McCurdy: I am sure my Liberal colleague has noted the difference between referring to *The Globe and Mail* in respect of a news report and referring to *The Globe and Mail* in terms of support for Tory policy and ignoring what Indian journalists might say in their newspapers about their rights.

It cannot have been missed by anyone that there are any number of programs which exist without caps. Nobody questions the necessity of having budgets, but budgets are always over-run on the basis of supplementary estimates when it is found that the cost exceeds what was budgeted. For instance, as prisons expand, the ones that incarcerate Indians and others in the population, there are infinite funds for that. Of course, there is the Canada Assistance Program which feeds the welfare budgets of our municipalities all across this land. No one has ever said that should be capped. Indeed, one might recall that there should have been a bloody cap on the amount of this country that was taken from the Indians in the first place.

Does my hon. colleague not believe that it is more than fair to have a program which will make it possible for every aboriginal person to have access to post-secondary education? After all, they gave a whole country away in order to have it.

Mr. Allmand: Mr. Speaker, that is what I thought I had said, but I appreciate the vigorous way in which it was seconded by my hon. friend, the Member for Windsor—Lake St. Clair (Mr. McCurdy).

He referred to my citation of an editorial in *The Globe and Mail*. The only reason I did that was to indicate to the Government that it is not only the Opposition Parties that know there is a cap being applied. *The Globe and Mail*, the Government's great supporter, also recognizes that a cap is being put on. *The Globe and Mail*, because of its small "c" conservative policies, congratulates it for the cap. We do not congratulate the Government for the cap. There is a place for caps in some types of budgets which vary from year to year.

I point out again that the path to self-reliance for our Indian people is through education. The way for them to get beyond those social conditions that were described to us when we travelled throughout this country is through education. The way to do it is through education, and we should be more than generous in assisting that.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the opportunity to participate in this debate. In my nine years in public life, I have never found that debates in this House have done anything more than inform Canadians and give them both sides of the story. I think it particularly helps the Government to set out all the facts and give the background on an issue. It gives greater balance to Canadians who are discussing the issue, whatever it might be.

We come from a huge country, with many interests being represented. This Parliament administers and allocates $132 billion. In each one of those interests and those budgetary allocations there are strongly held views that there should be more or should be less, or that new programs should be established and existing programs should be cut. This is where that entire process takes place and where the final decisions are made. That is the nature of democracy and the nature of government in Canada today.

Today we are dealing with the issue of native education. I happen to represent, as part of my riding, the largest Indian reserve in the land. It is one of the most progressive native communities in this country. They are great farmers and great ranchers. A few weeks ago an agreement on an irrigation project was signed to help irrigate their land and produce food, not only for Canada but the world. That is a genuine achievement of a band that is ready for self government in every way. If I had my way, they would have a lot more of it than they do today, but even on that issue within the blood group itself not everyone is in agreement with the concept of self government. It is necessary to meet, talk and debate.

I believe all Members are concerned about the specific students who are on a hunger strike. In a free democratic society that is not the way to show one's concern or point of view. Certainly, one is free to do that. In a society, one is free not to eat. One is free to starve to death if one wishes, but that is not the way we ought to do it.

In this vast country with its many interests, everyone would do that if it were a strategy to which governments would succumb. We are multicultural. Immigrant groups could be starving to death. Refugee groups could be starving to death. Some of us feel strongly about the entrenchment of property rights. Some feel strongly enough that they would starve for that right, just as some of our ancestors fought and died to get the entrenchment of property rights in their constitutions. There are people who feel very strongly about both sides of the abortion issue.

The fundamental point to determine is how a society resolves that. In a totalitarian state that is controlled by one party, the party will make the decision while the citizen has no say. In a totalitarian state with a military junta, a few generals will make the decision. In a monarchy, a family compact will make the decision. However, in our western world where we have a democracy, the citizens elect 295 people to come here. We have strongly held political views which sometimes cross Party lines, but this is where the issue must be resolved. Not only we as Members but the Government itself is accountable to the people every four or five years.

Personally, I do not believe that hunger strikes are the way to pressure for change. I therefore sincerely urge the students to stop their hunger strike and meet the Minister. I believe other Members should be encouraging that as well.

I believe the Leader of the New Democratic Party (Mr. Broadbent) and the Leader of the Liberal Party (Mr. Turner) should have stood in the House and rejected this method as the way to resolve the issue. They should have asked the students to give up their hunger strike, to talk with them so that their views could be presented within the parliamentary process. They did not do that. I think they took advantage of these young students on this particular issue.

Let us deal with the program involved in this issue. It is a program of enormous success. When we came to government, some $50 million to $54 million was being spent on the program. This year the amount is $130 million. In the last four years, when other programs have received less, this program has more than doubled, as it should because of the success that the native students are achieving at the high school level. They are qualifying to go on to college and university.

Once students, native and non-native, graduate from high school and decide to go to post-secondary education, all are subsidized up to about 90 per cent in terms of the cost of that university. For natives and non-natives, all of that tuition is subsidized. Non-native students pay for their books, their travel, their room and board, their clothing and all of the rest of it. This program provides for natives something that non-natives are not entitled to. This was a policy decision made by this Parliament and I think it is a wise policy decision, one which I am prepared to talk to non-native students about.

• (1320)

There are many, many thousands of non-native students who come from families that are desperately poor. In some families, the fathers, mothers, sisters and brothers work to help those young people get through university and college. For native students, we use the Consolidated Revenue Fund to help them.

I do not believe that anyone in this Parliament is opposed that policy. We believe that these funds should be set aside so that natives get tuition fees and books and supplies for their whole life if they wish to go to university that long. There is no limit to funding for tuition, books and supplies. There is a limit for the extra expenses of transportation, day care, room and board and the like.

The policy provides that a native student can have up to five years to finish a course that most would finish in four years. Again, that is because of the unique situation from which they come. For a three-year course, they can have up to four years. That is not unreasonable, but I submit that Hon. Members ought to consider that there is a possible defect in this when it comes to the Charter of Rights.

If a non-native student were to bring a Charter action under the equality section against that policy, who knows what a court would ultimately do. This would mean that society would either have to provide this funding for all students, native or non-native, and some might want that to happen, or else it would have to cut the program out entirely.

Mr. Skelly (Comox—Alberni): Read the Charter.

Mr. Thacker: My friend is no doubt referring to affirmative action, but we never know if a court will go along with that. Is it fair to non-native students who come from desperately poor families that native students receive this funding and they do not? A court might find that to be not equal treatment, in which case the program would either be totally lost or would have to be provided for everyone. Even members of the NDP realize that there is not enough money in society to provide that degree of help for every student, native or non-native.

There are other issues at play as well. There is the question of self-government. It is my own personal view, and I believe it is the policy of Parliament, that natives should move to self-government as quickly as they themselves can be ready for it. That is why under the program there is an extra supplement for natives who will take programs that will assist in self-government and in self-management of the reserves. That is a good policy. I personally believe that self-government is a good policy and we should be pushing it forward more quickly.

There is also the question as to whether or not post-secondary education is a treaty right. Natives have always held the view that it is and are pushing it vigorously. I do not believe that there is a Party in this House or in the country that has ever adopted the position that post-secondary education is a treaty right. Is that the view of Members of the NDP? I do not think they have formulated that policy.

The Liberals formed the Government for many years and we all have a policy for giving extra assistance to natives, but I do not believe it is a Party policy that post-secondary education is a treaty right. To the extent that Hon. Members are misleading natives on that, they are not correct. They should not be doing that. It is not fair to do so unless a Party is prepared to state that that is its policy. If it is, that policy should be announced so the Canadian people may judge it.

Members of the Opposition are using the political cliché of a cap on the budget. It is a very effective tool that Members of the Opposition have adopted, and I praise them for it. When we were in opposition, we tried to use those little clichés that would crystallize things, and so they are using the word "cap" as if the program had been capped. That is nonsense.

Indeed, we as Members of Parliament have an obligation to budget properly and to account for that budget. In this case, two thirds of the post-secondary education budget is operated by agencies not attached to the Department but by native agencies themselves. To make an annual budget, the Department makes estimates and then spends them. If the money runs out, it comes back for supplementary estimates.

We as a Government have an obligation, but Members of the Opposition do too. Are they calling for wide open spending without knowing how many students are involved and how the money is spent? If that is what they are advocating, that is irresponsible to the Canadian public as a whole. We have an obligation to account for the money and that is what the policy does. The Minister has quite properly taken that view. Give us the data. If there are more students and they need help, we will go to Cabinet and to Parliament with supplementary estimates.

Members of the Opposition are saying that they do not need data, that they do not care how many students there are. They are saying that if these agencies want $200 million, we should give them $200 million. Is that really what opposition Members are saying? Of course it is not, because they are responsible Members of Parliament as well and have to account to the public.

I would like to deal further with the role of the Opposition. It is proper for us to have strongly held views that may differ. However, on one issue we should all be unanimous, and that is in the way we express dissent in a democracy. I would like opposition Members to ask publicly if they believe that a hunger strike is the way to go. Why have they not asked those young students that question? They should encourage those students to talk to them, they should offer to help them present their case and then hope they will vote for them in the next election. However, they should say that in a democracy, with great respect, we do not starve to death. That is not an appropriate way to do it, because if everyone does that, our whole society will go into a state of chaos. I would like opposition Members to rise and tell us their view on that point.

Mr. Harb: Mr. Speaker, I am quite disappointed in the statement of the Hon. Member. Obviously he did not listen to what the Minister said. He did not listen to the admission of the Minister that the Government failed in establishing a data base to obtain statistics pertaining to the program. The Hon. Member also said that 90 per cent of fees for all students across Canada is paid by the Government. Is that an accurate figure?

I was disappointed that the Hon. Member spoke of education as being related to a treaty. In my view, education is the right of every Canadian, native or non-native. The educational system should be revamped to the point where there would be no differentiation between native and non-native students. If that means that the Government should invest more in education, then let it do so because that is the only way to go.

The Hon. Member said that Members of the Opposition should call on the Indians to stop their hunger strike. It is not our duty to tell those students what to do. They know best what to do. They have been trying for months and months to deal with the Minister. Obviously the Minister stonewalled and the Indians did not achieve their goal. Now it looks as if the Minister is indicating that he seems to be coming to an agreement to at least discuss the matter.

I must commend the Minister of Indian Affairs and Northern Development (Mr. Cadieux) for admitting honestly to the House the failure of the Government over the past four years to address the issue and to set up a proper support program. However, I was very disappointed in the speech of the Hon. Member because obviously he did not listen to the Minister on this matter.

Mr. Thacker: Mr. Speaker, I suppose I reciprocate the Hon. Member's disappointment. I am quite disappointed in his so-called question or comment, because I thought he would have understood far more than he appears to have done.

I must say that the Hon. Member's election brought us some glee. We wish we could have had a Conservative elected in Ottawa Centre, but at least the man he defeated was a thorn in our sides, and we welcome the Hon. Member as an alternative to the former Member.

The policy has always been subject to change. I think the Hon. Member got sucked into this capping argument, that somehow there was a sum of money that would never increase and was fixed for all time. That was never the purpose. I will grant that members of the Opposition led Canadians to believe it, and many do believe it. However, that simply was never correct. In the second last paragraph of his letter announcing the policy, the Minister made it clear that it would always be subject to review. However, we need the data.

• (1330)

Are members of the Liberal Party saying that the Minister should be allocating unlimited resources to two-thirds of the agencies that administer this policy, without having any checks or balances, without knowing how many students, or without knowing how much is spent on room and board? That is irresponsible.

If Members opposite are not saying that, what is their criticism? If we have the data which shows that more students require it, then the program will be increased.

Mr. Deputy Speaker: The Hon. Member for Windsor—Lake St. Clair on a question or comment.

Mr. McCurdy: The Hon. Member was very careful to draw a picture which contrasts the treatment accorded to native people in terms of free post-secondary education with the situation for the rest of the population. I was not able to understand whether the Hon. Member thinks that this is unjust, or whether he was attempting to draw divisions between native people and the rest of the population and suggesting that it was unfair for the majority that native people should be accorded this. Was the Hon. Member suggesting that free post-secondary education ought to be available for everybody, as it is for native people? If the Hon. Member meant the latter, then we could support him. Our Party stands for free access to post-secondary education for all Canadians of post-secondary age.

I am also disappointed that the Hon. Member suggested that what he expressed or fought for as a member of the Opposition is somehow different now he is a member of the Government. I would like to assure the Hon. Member that when we on this side become the Government we will be saying exactly the same thing as we are saying right now.

The Hon. Member also said that we should have talked to the native students so that they would vote for us. I would point out to the Hon. Member that we do not talk to native people because they are going to vote for us. We talk to them because we believe in what they believe in, in terms of justice.

I would like to ask the Hon. Member who thinks that we are making too much of the term "cap" to dispose of it and answer the question clearly. If we want to resolve this problem we can do so very easily. We can understand that there will have to be budgeting for native post-secondary education. I hope the Hon. Member can answer my straightforward question on behalf of the Government. Were there to appear more native students than are budgeted for, and assuming the Hon. Member has all the data he needs, in the coming year will the Government provide sufficient funds to ensure that no native student is denied access to university because of the cap that exists on this budget?

Mr. Thacker: I am always impressed by the sanctimony of the members of the New Democratic Party.

Mr. McDermid: And the volume.

Mr. Thacker: And the volume. Members of the New Democratic Party seem to think that the louder they speak the more sincere they are and that Canadians will love them more.

If I were an aboriginal person in this nation listening to the NDP, my instant reaction would be to ask what has happened in other countries where the socialists are in control. For example, what about New Zealand, Australia, or Scandinavia? Are the native people there better off than here?

Mr. Skelly (Comox—Alberni): Free post-secondary education for everybody.

Mr. Thacker: One will find that natives return to Canada and are glad to be here. Would the Hon. Member like to go to the ultimate socialist state in eastern Europe, to the Soviet Union? The aboriginals here are treated far better, and so they ought to be because we are a free society where they can express their views. Their members are being elected to the House of Commons on an increasing basis. They are doing better.

Mr. McCurdy: Sanctimonious!

Mr. Thacker: I am proud to be Canadian.

Mr. McCurdy: You ought to be proud to be sanctimonious, too.

Mr. Thacker: I think as Canadians we should be immensely proud of what we have done. We took on the English and the French problem. We took on the Catholic and the Protestant problem. We have done more in this country as a multinational culture than any other country in the world. I am immensely proud to be Canadian. I am sorry that members of the NDP here today do not seem to be proud to be Canadian.

Mr. Deputy Speaker: The Hon. Member for Winnipeg—St. James.

Mr. Harvard: I think the Member has shown his true blue colours today. He is flying high. He commenced his speech a few minutes ago by giving us a short lesson in democracy. I do not know what that had to do with the issue. Instead of giving us a lesson on democracy, perhaps the Hon. Member should give us a lesson on sanctimony. The Hon. Member is an absolute pope when it comes to sanctimony. I cannot believe my ears.

What I found most striking about the remarks of the Hon. Member was the insensitivity of what the Hon. Member was talking about. Not only was he attempting to give us a lesson on democracy, but he was attempting to give those Indian students a lesson in the efficacy of a hunger strike. I do not think those Indian students need to take any lessons from the Hon. Member.

In his remarks, I noticed the total and complete absence of comments about the low income of the Indian population, which is nothing when compared with the income of the non-native population. The Hon. Member mentioned nothing about unemployment rates which are so much higher than for the non-native population. The Hon. Member talked about Indian reserves. In my capacity as a journalist, I have visited Indian reserves many times, and it saddens me to find unemployment rates of 85 per cent and 95 per cent. In his remarks the Hon. Member did not say a word about the life expectancy of native people. He did not even say anything about the expectancy of educational opportunities. Earlier today in a speech it was pointed out that 4 per cent of the native population go to university, while 27 per cent of the non-native population go to university.

My simple and straightforward question is the following: Where does the Government stop in its obligation to provide educational opportunities to native students? What is the Hon. Member's personal cap, because he is obviously fond of a cap?

Mr. Thacker: Here we have a Grit speaking, a member of that great Liberal Party that governed this country almost exclusively for the last 100 years. Where are the native students? It was under the Liberal Government that the natives wallowed and did not have a chance to get ahead. Even in the last four years the amount spent by this Government on post-secondary education has more than doubled, when everybody else was taking less. This is a good program.

I lived through the period when the Liberal Government brought in the National Energy Program that killed thousands and thousands of westerners. Here is the great moralist up there, type of thing.

Mr. McCurdy: Talk about the issue. Shame on you!

Mr. Thacker: My final comment is this: The reason I like the House of Commons is because a day like today provides an opportunity for the Government to get back. Canadians can see how insensitive, how silly most of the arguments are, and how the opposition Parties try to take cheap political advantage of any issue, no matter who might be hurt out on the streets.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I wish to commence my remarks by saying how proud I am to be a Canadian, and how proud I am to be a Member of the House representing 8,000 Indian children in the riding of Prince Albert—Churchill River. I say it is historic because even though the issues may seem relatively small, that they are just some departmental guidelines, they have come to symbolize the gulf that exists between this Government and the aboriginal people as to what the historic obligations of the Government of Canada are. I also say it is historic because for many Canadians who do not have the opportunity of close contact with the Indian and Inuit communities, this is the first time there has been enough media coverage of a major issue of importance to the Indian community for them to know what is going on.

• (1340)

As I was going through my files on this issue, I realized that I first became aware of this matter in May of 1988 when the Hon. Member for Skeena (Mr. Fulton) answered my request for a copy of a purported Government document known as the Buffalo Jump Plan, an internal document of January 19, 1988, from the Department of Indian Affairs. This document has some very interesting things in it that are germane to this debate. Under communications, it outlines what the Government is supposed to say as it implements this plan. It says:

> Confirm the themes of—we honour our commitments, we're fair, we are making progress. We're not seeking dramatic change, but rather to be fair and businesslike. When it can be done it will. Both for Indian and general audiences, it is good to emphasize the fairness theme: it's fair that Indians be well educated, fair that Indians take charge of looking after their own children, fair that the Indians govern themselves.

Those are the fine soothing words the Government is instructed to use to cover up what comes next.

What does come next in this document? First, no to C-31:

> Be prepared to stick with C-31 as it is.

That is where the Government took on its obligation to provide funding for the people coming into the treaty under Bill C-31. Here the Government says no. Section 14 says that there will be fewer schools. It says:

> We can build better schools, but fewer. Need to consult so as to balance the good news ("better") with the bad news ("fewer"). Should get our material out before AFN tables their long-promised report on Indian education.

They are playing games with that issue. Then we get into child abuse. It reads:

> Cannot avoid support on child abuse, since anyone would see this as part of "basic care".

What they are talking about doing is going to the Governments of Alberta and Saskatchewan, redirecting off-reserve welfare assistance to provide funding for better child care services in those provinces.

The situation is so bad and the Government is so concerned on that one that it is prepared to take money from social assistance rather than big corporations to use it to counter the problem of child abuse. Then we get to the Student Grants Program. Here we see the first hint of what is happening:

> Agree to consultation in 1988, for implementation of amended program criteria in 1989.

This is the pre-election program of the Government.

> Important to sustain rate of funding increase in 1988-89 while consultation proceeds.

So we have a scam here. What the Government has done is artificially inflate the 1988-89 budget to come up with that figure of $130 million so that it looks like the Government is being very generous and so people would not notice when the Government starts its capping and cutting and whatever else it is planning to do with the new guidelines, which means that there is no longer a treaty obligation to provide post-secondary education. That is why the Indian and Inuit people feel so strongly about the issue. They feel strongly about it because they know what is happening with post-secondary education guidelines. They know that is part of the Government's plan and it is the Government's plan they have to stop and stop now. They have to stop this plan because it

directly threatens them with having to go to court to get their treaty rights recognized.

Let me go to another section of this document where it reads:

> Wish to proceed under Treaty Land Entitlement. Wish to proceed pragmatically (no announcements) with selected negotiations based on land entitlements to date of first survey. Not prepared to go further unless forced to by courts eventually.

If eventually somebody takes this to the court the Government is prepared to talk about treaties but not until that time. That is why the people in the Indian world see these guidelines as being so sinister. It is because they are part of this plan and no one has told them that this is not the plan of the Government. In fact, they have reason to believe, as we do, that it is the plan of the Government.

I think this all goes back to the basic constitutional framework of this country. The Minister made what I think is an appalling statement when he said that he unilaterally felt that post-secondary education was not a treaty right. It is not the job of the Minister or of any Minister or any individual or any Party to determine what are the treaty rights in this country. Section 35 of the Constitution Act of this country states that those rights will be determined in consultation, in negotiation, formal nation to nation consultation between the Governments of Canada and the Governments of the First Nation. That is the only way you can determine what treaty rights are. For two years the Government has had that particular consultation on hold.

Perhaps it might be worthwhile to go through some of these historic obligations to show that this is not just some archaic or arcane type of document that someone filed some place in the distant past. It says some very important things. Reading from The Royal Proclamation:

> —the several Nations or Tribes of Indians with whom We are connected and, who live under our Protection, should not be molested or disturbed in the Possession of such Parts of Our Dominions and Territories as, not having been ceded to or purchased by Us, are reserved to them, or any of them, as their Hunting Grounds.

I think that is very germane also to the Innu issue, if I may digress, where it says that they will not be molested or disturbed on their lands until their lands have been formally ceded or bought. That is something that has not happened. This is what commits the Government to making treaties. It also says:

> We have thought proper to allow Settlement; but that, if at any Time any of the Said Indians should be inclined to dispose of the Said Lands, the same shall be Purchased only for Us, in our Name, at some public Meeting or Assembly of the Said Indians, to be held for that Purpose by the Governor or Commander in Chief of our Colony respectively within which they shall lie—conformable to such Directions and Instructions as We or they shall think proper to give for that Purpose—

In other words, when this land is ceded there are instructions which either they or the Government, the Indian people or the Government, lay down in treaty and they then become part of the constitutional framework of this country. The Government either does not know that or is totally ignoring it.

That brings us back to the now infamous guidelines. The Indian people are convinced on the basis of the treaties which do exist that post-secondary education is an obligation of the Canadian Government which they pre-paid with their land. It is a pre-paid obligation. There is no such thing as this being subject to a budgetary whim of this House. It is a pre-paid obligation which they paid for by allowing their lands for settlement.

Further to that, all the numbered treaties that I have read, and I believe I have read them all, state specifically that education is a treaty right. The Commissioner who signed those treaties said in his comments on the treaty that what he meant by that and what he had agreed to was that the Indians would have access—in the words he used, "the cunning of the white man". There can be no other interpretation of that, I believe, in the framework of 1989 than to mean that this means post-secondary education, because that is how you happen by "the cunning of the white man". That is why the potential threat of budgetary limits is so alarming to the Indian community. A budgetary limit would mean that what is theirs by constitutional right would suddenly become subject to the budgetary mercies of the government of the day. With this Government, in the post-free trade environment in which we live with big business on a rampage, there is no good reason why the Indian people of this country should have any faith or confidence in the budgetary mercies of this Government.

Mr. McCurdy: Or anybody else.

Mr. Funk: Or anybody else for that matter. I do not have time to go into all the details of what is wrong with the guidelines. Those have been discussed very well elsewhere by Sharon Ironstar and others of the fasters, by the Indian leadership, by other colleagues in this House and the co-ordinated action across the country which some of us who have been here have not been aware of, but there has been an extensive program of education across Canada, and those have dealt with many of the issues, as has the Minister.

I would like to zero in on two myths, the soothing language which has become the heart of the Government's defence in this issue. First is the myth of generosity. The Government has made much of how generous it is being in these post-secondary guidelines which it is coming in with now. I would point out that some former colleagues of mine in private life—I did research into these issues—did an analysis of these guidelines for the Prince Albert District Chiefs and they found in the guidelines the proposed increases from 1982 to 1989 represented an increase of 6 per cent to 10 per cent over 1982 levels. That is 25 per cent less than the rate of inflation over that period of time. It leaves every one of these people under the nationally defined poverty level. Although there is perhaps no big argument that some of these allowances are in fact adequate, many of them are not. It certainly is wrong to describe this as generous. It is not. It is niggardly.

• (1350)

Then there is the myth of consultation. I enjoyed speaking to the rally on Friday afternoon on the Hill—

An Hon. Member: Shame, shame!

Mr. Funk: —and describing to the people my brush with this Government's consultation process. The consultation process that I experienced happened as follows: On December 16, representatives of the Federation of Saskatchewan Indian Nations met with us and presented us with their arguments and documents, outlining point by point what is wrong with these guidelines and the consultation process, and asking for our commitment to do something about it. On behalf of the Saskatchewan New Democrats in this House, I wrote a letter to the then Minister of Indian Affairs, the Hon. Bill McKnight, in which I pointed out:

> The proposed changes totally ignore the fact that the issues involved are addressed directly in Treaties between the Indian people and the Crown, and they cannot be addressed in a unilateral fashion.

That is what I did, and what my colleagues did. We were very surprised when we met for the first time with the Indian students and they hauled out the list of people that had been consulted. There on the list was the Saskatchewan NDP caucus. This is the consultation. We wrote them a letter saying we fundamentally disagree and the Government is saying that they consulted with us. No wonder the Indian people in this country think this was a bogus process. It was a bogus process. I know that.

Maybe the Minister who is caught in the middle of this mess should consider who it actually is that is holding him hostage. Is it the Indian students, or is it the people that penned the infamous "Buffalo Jump" document and committed the Government to this suicidal course of action? I believe he is being held hostage by somebody other than the students. I believe that the people who wrote the "Buffalo Jump" are the people who are holding the Minister hostage.

Allow me to summarize my remarks by repeating that I believe the evidence which says that post-secondary education for the original people of this country is a constitutional obligation of the Government of Canada, and the Minister has no unilateral right to change that.

I believe these guidelines represent an abrogation of this historic and constitutional obligation. But by way of trying to contribute constructively to this process, and realizing it has been difficult for a lot of people, particularly the Minister who is caught in it, I tried on Friday to table a five-point program which, if the Minister were to accept it, would lead to a rapid resolution of this issue. Hopefully, the Minister will still do that.

That is why I stand in the debate to support this motion. I think it makes economic sense to not proceed with these guidelines because we are talking about future burdens on future taxpayers of this country. There is no greater burden on the future taxpayers than to save $30,000 to educate a person now and then have to pay $500,000 in welfare over the next 65 years. It makes budgetary, fiscal and economic sense to not proceed with these guidelines and to have a bilateral process of consultation, because that is what the Constitution obligates us to do. If we are going to do that, it makes sense to not proceed with these guidelines until such time as that consultation is complete.

In conclusion, I would like to take a moment to recognize the contribution of other people to this debate. I would like to acknowledge my many teachers through the years, particularly the Indian people I have known who have taught me their ways. I would like to thank the Indian leadership and the students for being open, honest and very forthcoming in our discussions with them. I would like to thank my colleagues in the NDP caucus, because I believe we have exemplified what team work can do in bringing an issue before the people of Canada. I would also like to thank all other Hon. Members on this side of the House and the other side who have taken a serious enough interest in this issue that we are having this debate. I would finally like to acknowledge the Indian children of this country. It is because of their hopes for the future that all of this is worth it.

Mr. Deputy Speaker: Questions and comments. The Hon. Minister of State for Housing (Mr. Redway).

Mr. Redway: Thank you, Mr. Speaker. During the course of the Hon. Member's comments, I recall him making the statement that as a result of the passage of Bill C-31 there were no further funds allotted for post-secondary school education. In fact, Bill C-31 was passed in 1985. During the fiscal year 1985-86, out of a total of $71 million that was allocated for post-secondary school education for native people, $1 million was allocated as a result of Bill C-31. In the fiscal year 1986-87, out of a total of $96 million allocated in that post-secondary budget, some $9 million was allocated as a result of Bill C-31. In the fiscal year 1987-88, out of a total of $107 million, $11 million was allocated as a result of Bill C-31. In the immediate past fiscal year, 1988-89, out of $130 million allocated, some $26 million was allocated as a result of those reinstated under Bill C-31.

I wonder if the Hon. Member could tell me if I misunderstood his remarks, or if in fact he would agree with the information I have supplied the House. If he does, I wonder if perhaps he might re-examine some of the other facts and figures he has presented before the House today.

Mr. Deputy Speaker: The Hon. Member for Prince Albert—Churchill River (Mr. Funk).

Mr. Funk: I thank the Hon. Member for the opportunity to clarify my intention in the remarks that I made. I do not believe that I said there was no money for post-secondary education under the Bill C-31 program. I know there was money in that program, and I did not mean to suggest otherwise. What I did mean to suggest was that there is a general pattern of implementation of the infamous "Buffalo Jump" document. What I said is prepared to stick with C-31 as it is, no amendments before the next election, possible commitment or minor adjustments later. I believe that is the policy of the Government, that there has not been new money under C-31.

While we are talking about C-31, in many ways it crystallizes some of these issues. In my own constituency there are 5,000 people in the C-31 category that are living in no-man's land. The Government has granted them status but there has been no parallel provision for them to be absorbed into the bands which they want to belong to. The bands are reluctant to be pushed into this because there is no money for them to provide the services which those people then come to expect. That is one of the sinister aspects of these guidelines. If there is a budgetary limit, if in fact the first 15,000 get funding and the next 2,000 have to wait until next year, the pressure is on those bands to determine who will get that money and who will not. The presence in my constituency of 5,000 C-31 people just increases those pressures and makes it that much worse.

Mr. Deputy Speaker: The Hon. Minister of State for Indian Affairs on a question or comment.

Ms. Campbell (Vancouver Centre): Thank you, Mr. Speaker. The Hon. Member has made reference in his address to something called the infamous "Buffalo Jump" document. I assume he is talking about a discussion document that was put out by the ministry in May of last year on the issue of revised post-secondary guidelines. I would like to suggest to the Hon. Member that if he reads the guidelines that were actually implemented, on April 1 of this year, he would notice that they are very different from the guidelines that were put out for discussion in May of last year. The reason for that difference was a response to those initial proposals through the consultative process. Perhaps the Hon. Member would be gracious enough to concede that in fact the Government did enter into a very extensive consultative process on the basis of which it has quite considerably amended the new guidelines on post-secondary education.

• (1400)

I would also like to comment on the Hon. Member's suggestion that because his Party did not agree with the guidelines it is not entitled to be included among those who were consulted. I think many people in the House will find that a very novel definition of consultation. The Hon. Member seems to say that somehow if someone does not agree with someone after a discussion then one cannot say legitimately that there has been consultation.

If the Hon. Member feels that all the people who consulted with him must be agreed with, I find that very promising. If there should ever be the opportunity, and if in some strange event he should ever be part of the Government, I will look forward to consulting with him on many issues.

Mr. Funk: Mr. Speaker, I would like to assure the Minister that if I am ever part of a Government it will not be because I have crossed the floor.

Some Hon. Members: Hear, hear!

Mr. Funk: For the information of the Minister, although I did not deal with the specific reference to guidelines in the document, I was referring to a scenario which I think is quite clear.

The scenario is that in fact the Government would be seeking what might be considered to be an inflated level of funding in the election year and that the consultation process would proceed against that backdrop. I contend that that was an unrealistic impression the Government was trying to leave, and not a totally accurate one. We have seen the results of that as the figure of $130 million is repeatedly pointed to as an indication of how fast this has increased in the past.

With reference to the consultation process, I agree with the Minister that it is useful to listen to dissenting views. However, to be considered part of a process that the Government takes some pride in—in fact to call it consultation—when someone writes the Minister a letter, is not accurate.

I would assume that consultation would include some back and forth, that the Government would provide us with some information and that we would get back to the Government with some information and so on. That was not the case. I was surprised that on the basis of one letter we should be listed as having been involved in the consultative process, along with the Assembly of First Nations, the Prince Albert District Chiefs, the Inuit Tapirisat and all the other people. If this is how we had been consulted I was left to wonder how they had been consulted. Indeed, the Indian leadership and the students say that they have not been consulted.

Ms. Mitchell: Mr. Speaker, does my hon. colleague agree that this new attack, what some perceive to be a new attack, is part of a Tory strategy which has been ongoing for several years and that we are seeing the usual shell games trying to cover up real budget cuts?

Does he think that this indeed relates to the over-all philosophy of the Conservative Government which is that it has abandoned the very concept of universal access for natives?

I would like to give one illustration from my riding of Vancouver East which many native people say is the largest reserve in Canada. The Native Education Centre in my riding serves students from all over British Columbia. It does an outstanding job in both academic upgrading and in practical courses, as well as in programs for native training. There is a course for native child care workers, administrators for bands, as well as people training in high technology of different kinds. The institution has had a very good success rate with highly motivated students who attend regularly.

In 1987 the budget of the institution from DIA was $125,000. In 1987-88 that budget was cut by 60 per cent. The next year there were no funds at all for a very major educational institution which has made a terrific contribution to the education of native people in British Columbia. As a result of a very strong process in which a number of us were involved, the Government found $82,000 in 1989.

I would like to point out where the money for this came from. The Government took the money out of moneys that were designated for students. That is what I mean when I say a shell game. I wish I had time to give the rationale that the Minister gave, which was incredibly ignorant of the real situation people are facing.

I think the Hon. Member heard my question earlier so I will sit down.

Mr. Funk: Mr. Speaker, I would like to thank my colleague for her question. It is quite correct for her to assume from what I said that in fact I see what is happening here as part of a larger Tory agenda. We hear all kinds of fine language in the House about the Government's concern, commitment and so on, in this case to the future educational needs of Indian people and the Indian community. In fact, the reality on Indian reserves is dramatically different. When we look at the budgetary process that is going on here now, short months ago the Government promised all types of money to projects such as Hibernia and Fort McMurray. There was money to burn. Just a few short months later there is no money at all. We are being told to brace ourselves for next Thursday when the Budget comes down. This is why I think Canadians are responding to the issues raised in this debate. They are wondering: "Are we next?"

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Parkdale—High Park.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, you are probably wondering what a Member of Parliament from a Toronto riding such as Parkdale—High Park knows about this debate on post-secondary funding for natives. First, let me establish my credibility about why I want to participate in the debate.

I had the good fortune of being born and raised in the Province of Saskatchewan where my parents started on a homestead. They farmed there for 25 years. As a young boy going to school I grew up with Indian children and their families. We did similar things to what the First Peoples did. In order to supplement our farm incomes we had to trap. As a young lad we trapped weasels to get $4 or $5 a pelt. That was good money in those days. We would snare jack-rabbits, skin them and sell the pelts.

Mr. McDermid: Don't tell the NDP that.

Mr. Flis: The Hon. Member from Brampton does not even want to listen. He is an urban boy who cannot relate to this type of pioneer life. There are probably not too many Members in the House who can, which is why I am sharing this with all Members of this House. I am sharing it to establish my credibility.

What did we do for dessert? We picked Saskatoon berries and so on with the Indians.

We took that life-style away from our first Canadians. What did we replace it with? Since we took it away from these people I think the best replacement, the best investment, is a post-secondary education.

Not all the children in my family could go on with their educations. My oldest brother had to work on the farm. He could not go on to post-secondary education. I am pleased that my parents and my country allowed me the opportunity to complete my post-secondary education at the masters and other levels. That education allowed me to go in to teaching with the Toronto Board of Education where I spent over 30 years. Most of those 30 years were spent working with exceptional students, the physically handicapped, the emotionally disturbed, the mentally handicapped, and with students who had learning disabilities, a new group that has been discovered in this category of exceptional students.

The Toronto Board of Education is a leader in North America, and probably in the world, as far as opening up new opportunities for students with all these different handicaps is concerned. People with mental handicaps never went on to post-secondary education.

• (1410)

Today I am very pleased that community colleges are accepting them. Students with learning disabilities are now going to universities. Many of them are very bright but have some learning disabilities, and experts to this day do not know the cause of them.

I would like to compliment universities such as York University, the University of Toronto and others that have set up special departments to accept these students into post-secondary education. Ten years ago these students would never have found themselves in a university setting. Today they have the same opportunity as many other students. At a time when universities are opening their doors to students of all abilities, of all handicaps, the Government is closing doors to the children who have the first right to attend post-secondary education.

Some Hon. Members: Hear, hear!

Mr. Flis: I could not agree more with the Hon. Member for Oshawa (Mr. Broadbent) when he said a native child today has a better chance of ending up in jail than receiving a university education. This is a sad commentary for the Government and for this country.

I wanted to participate in this debate because of the students who went on the hunger strike. Is it not sad that it took a hunger strike to bring this debate to this House today? I was involved in a hunger strike five years ago. Three people in Etobicoke—Lakeshore went on a hunger strike. They had come to Canada as refugees. Their spouse and the children were caught in Poland; Poland would not allow them to join their families here. We went on a hunger strike. I saw the physical and emotional damage that was done to these hunger strikers.

I felt for the Indian students while they were striking. I would not recommend to these students to continue such tactics because if your health goes, and heaven forbid even if your life goes, you will be no good to this country. We need your talents. We need your expertise.

I had a hand in ending that other strike. I was the liaison person between the people on strike, our External Affairs Department and the Polish Embassy in Ottawa. I had to take messages back and forth. I was pleased when the strike finally ended.

Today I am pleased to announce, Mr. Speaker, that within a year after the hunger strikers agreed to end their strike all three families were reunited, and we have three additional happy families living here in Canada.

Let us hope that this incident ends the same way, that it ends in happiness and ends with greater opportunities for our First People at the post-secondary level.

Once again we see an example of the lack of commitment of the Government to the people in our country who are most in need of our help, our support and our generosity.

In 1984, a national review was undertaken on the First Nations educational systems. This review included recommendations from aboriginal and non-aboriginal peoples. A lot of time and energy was spent on this review, and it was forwarded to the Department of Indian Affairs in December 1988. It was in good faith that the First Nations did not expect the Government to implement any changes to the education system until there had been bilateral consultations based on the review which would subsequently lead to action that was palatable to all parties involved.

This did not happen. The Government has not responded to the review. In fact, it has once again chosen to renege on its promises. It is becoming painfully obvious that this is not an election year and because this is not an election year, the people in this country who are most in need are paying for it.

On March 20 of this year, the Minister of Indian Affairs and Northern Development (Mr. Cadieux) decided that it was time to stop playing nice guy. He announced changes to the guidelines for First Nations' post-secondary education. He announced these changes, not in consultation with the people who would be affected by them but in consultation with his departmental officials in Ottawa. There is nothing wrong with consulting with departmental officials. I pay a high tribute to the people working in our Public Service in all Departments, but surely the Minister could have consulted with the users of the program.

These changes come at a time, in the National Chief's word, "when the First Nations are looking to the future and are planning a long-range holistic approach to education, a time when the First Nations are striving for self-government and self-reliance".

What is happening today is a travesty. If the Government is cutting back in the area of post-secondary education, what is going to happen to the other levels of education? We already know that at present there are 85,000 students utilizing educational facilities. At a minimum we would expect over 3,000 classrooms to house all these students. That is not the case. There are presently only 2,000 classrooms.

In 1977 there were 3,500 students eligible for post-secondary educational programs. Today, as we heard from the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), they number around 15,000. The numbers are increasing. The funding is being cut back. With all due respect to the Hon. Minister, the funding over the years has not taken inflation into account. Therefore any comparison is not being done in real dollars. The 10 per cent he talks about does not cover increases in educational costs, inflation increases, et cetera.

In 1987, the Government brought in new guidelines. At the same time, they introduced a cap on the budget. They promised at that time that were they to bring in more changes they would be brought in, in consultation with the First Nations. This is not what they did. They unilaterally imposed new guidelines. They unilaterally implemented changes to a program which they obviously did not understand.

Ever since the election all we have heard about is cut-backs—cut-backs in our unemployment insurance programs, cut-backs in programs that affect those who need them the most. This type of behaviour is not going to win them any votes. In fact, this behaviour has already cost them a few points in the polls. It will be very interesting to see where this Government which makes its decisions based on public opinion polls will end up in those same polls after next Thursday when the Hon. Minister of Finance (Mr. Wilson) goes to work on the rest of the people of this country with a hack-saw.

We all know and accept that post-secondary education is an investment in the future. We have heard this from our previous debaters. This Government continues to talk about its commitment to the First Nations of this country. It continues to talk about its support for Indian self-determination, for Indian self-reliance.

I have been an educator for many years. However, it does not take an educator to know that there is an undeniable link between education, especially post-secondary education, and better employment opportunities. It boggles the mind to see what this Government is doing. It is inconceivable to me, and obviously to my colleagues here, that the route to the well-being of the First Nations is being nipped in the bud.

I will not repeat, Mr. Speaker, what the Members for Notre-Dame-de-Grâce, Kenora—Rainy River, Oshawa and others have shared with this House about the difference in mortality rates, welfare rates, alcoholism, and suicide rates between the people of the First Nations and the rest of Canadians. I urge the Government to rethink its policy on post-secondary education. I urge the Government to give the First Nations a chance to prove that they are capable and competent; that they contribute to this country as much as you or I do, Mr. Speaker; that they are not a burden on society; and that they are the First Nations.

• (1420)

Mrs. Dobbie: Mr. Speaker, I appreciate the remarks of my colleague opposite. Prior to 1984, there were fewer than 3,500 Indian students enrolled in post-secondary education in this country. Can the Hon. Member tell us why his Government failed to deal with the problem during its many years in power?

Mr. Flis: Mr. Speaker, when we were in government no native students went on a hunger strike.

Mr. James: What kind of answer is that?

Mr. Shields: Mr. Speaker, I listened with considerable attention to the comments of my hon. friend today. Would he clarify for me and other members of the House whether it is the official position of the Liberal Party that post-secondary education is a treaty right? Yes or no?

Mr. Flis: Mr. Speaker, I welcome the question because the Hon. Member and I worked on many committees together. I am surprised he even asked that question because it is a Canadian right.

Mrs. Catterall: Mr. Speaker, I want to make a few comments. I want to bring it to the attention of the Hon. Member and the House that while we are concerned about funding of post-secondary education for native children because it is crucial for the equality of opportunity for native people in Canada, we must also be concerned about young native people who never make it through high school.

I am dealing with a particular case in my riding of which I believe the House should be aware. I hope Hon. Members opposite will bring it to the attention of the Government. It is the case of a young 12-year old status Indian boy who is suffering from foetal alcohol syndrome with an attention deficit disorder. This is causing severe emotional and behavioural problems. This boy was adopted at the age of one by a family living in my riding.

They are having extreme difficulty and are meeting nothing but road blocks with the federal and provincial Governments in trying to get the help this boy needs before he reaches an age where he cannot be helped, which is within the next two or three years.

The parents are at their wits' end. This young boy may never have a chance even to grow up properly, let alone go to university, with the limited funding that is available.

They have been told that the cost of the residential treatment recommended by professional advisers is $50,000 a year. That is more than the total income of the family, which is needed to provide for them and their other two adolescent children.

This morning, the Hon. Member for Kenora—Rainy River (Mr. Nault) spoke about the devastating cost in dollars and human potential of not providing what is needed. The funding to provide adequate treatment for this child is not available under health funding. Funding is not available because he is a status Indian. This young life will go down the drain. The cost of providing treatment for him, to give him a chance at the opportunities we are discussing today, is less than the cost of one year in prison, less than the cost of 30 days in a hospital.

The parents have approached the Department of Indian Affairs and Northern Development. In September 1988, they were told that there is no help for their son. They approached the Department of National Health and Welfare and were told there is no help for their son. They cannot turn him over to the Children's Aid Society because he is a status Indian and the band would have to be consulted on his care.

I ask Hon. Members to bring this problem to the attention of the Cabinet and to save this one young life and many others like him who will never have the opportunities we want for all our native peoples.

Mr. Flis: I am glad my colleague has raised this point. There are thousands of cases such as this one. Because we do not have early identification, the students are spotted too late to bring them help.

I think any system of education that is funded by the federal Government should provide the same opportunities as any child gets from Kindergarten to Grade 13.

I urge the Member to take this case to whatever board of education is involved. It is under provincial jurisdiction. She should turn to the Director of Special Education and get help as soon as possible.

This student will never make post-secondary education, yet he could be a brilliant and gifted student. However, because of the problems—

Mrs. Dobbie: What does that have to do with the topic?

Mr. Flis: The Parliamentary Secretary asks what this has to do with the topic. The whole topic is that you are cutting off post-secondary funding for our native children, for our Indian children—

Mr. McDermid: She is talking about provincial education.

Mr. Flis: Does she not realize that these students eventually reach the age where they have to be provided with post-secondary education, or are they writing these people off? Because they have this handicap, because this student in particular has a multitude of handicaps, what does the Government want to do, kick him deeper into the gutter? That is its approach and I say shame.

Mrs. Dobbie: Get on the topic.

Mr. McDermid: Mr. Speaker, I have been sitting back listening to the debate today and have found it very interesting. I listened to my hon. friend, the Hon. Member for Parkdale—High Park (Mr. Flis), whom I have known for a number of years. I was surprised at his last statement, which forced me to my feet. I think it was very unfair. It was not like him to come out with a statement like that. It was very unfair.

The Hon. Member for Ottawa West (Mrs. Catterall) raised an educational problem which he properly identified as a provincial educational problem. I say to the Hon. Member for Ottawa West that there are ways to approach these problems. We are all concerned about them. We all have, in our ridings throughout the country, problems in education with special needs for children from all walks of life.

The Hon. Member for Parkdale—High Park made the statement—if he checks the "blues" I think he will see that it is fairly accurate—that the Government is kicking people further into the gutter. That is very unworthy of the Hon. Member. I think, when he reflects on it and realizes what he said, he will apologize to the House because he knows it is not true.

Mr. Flis: Mr. Speaker, I make no apology. I welcome the Hon. Member's intervention. If I hit a sore spot, I apologize for that, but the case that was described was clearly implicated with medical problems which become federal jurisdiction, requiring residential help and so on. If I am not mistaken, I believe some help should be provided under the Health Act.

It is time we stopped passing the buck, at the provincial level or at the federal level. This is a student who everyone recognizes needs help. Surely we can get the three levels of government together—municipal, provincial and federal. Can we not put our resources together to help this youngster, regardless of cost because the investment now will pay dividends in the future?

Mr. Shields: Mr. Speaker, I listened with considerable interest to my friend, Hon. the Member for Parkdale—High Park (Mr. Flis). The point I want him to clarify is related to the question I asked first. It is a very simple question.

• (1430)

Is it the official position of the Liberal Party that post-secondary education is a treaty right, paid for exclusively by the federal Government? That is an important question because that is the underlying problem we are facing with treaties.

If it is the position of the Liberal Party that it is a treaty right, then I would accept the comments the Hon. Member has made. If it is not the position of the Liberal Party, if the Hon. Member wants to waffle and say it is a Canadian right or something like that, speak with a forked tongue in his answer, or if he wants to say that it should be referred to the courts, then everything the Hon. Member is saying about the situation we are now facing is blowing in the wind. It is making politics out of a very serious situation.

The Hon. Member must answer that question and state emphatically one way or the other where his Party stands on this issue. We have to use the budgetary process in an attempt to determine how many students in the next fiscal year will be using the system so that we can budget for it. The budget was not cut. It was submitted to Treasury Board at $130 million. Not one cent was cut from that budget. It was not rolled back. It was based on the very best information available to the Department of Indian Affairs at the time the budget was submitted.

Again, what is the position of the Liberal Party? Does the Liberal Party adopt the official position that post-secondary education is a treaty right? If the Hon. Member cannot answer that question he should say so, but if he does answer it, he must answer it emphatically. If the Liberal Party does not adopt that position, then everything the Hon. Member has said is blowing in the wind.

Mr. Flis: Mr. Speaker, I already answered that question. The Hon. Member forgets that his Party forms the Government, not ours. I already told the Hon. Member that this is a people's right. It is the right of every Canadian. The question he put is very irrelevant. He is trying to get his Government off the hook of providing additional funding for the many more students who are reaching the post-secondary level. He is trying to get his Government off the hook on which it was elected. He should not be playing constitutional games.

Students went on strike. They did not ask that question. They are asking for an opportunity to go to university or college, to have some education after high school. That is what they are asking for and they have the right to it.

Mr. Doug Fee (Red Deer): Mr. Speaker, I welcome the opportunity to contribute to the debate on the topic before us today. As a preface to my comments, I would like to compliment members of Her Majesty's Loyal Opposition for picking this topic and for devoting two opposition days to its discussion.

In his comments this morning, the Minister said that this was a topic plagued by misunderstanding. Hopefully, through our discussions today and the subsequent ones on Monday, we can help to educate the people in the House and in the country a bit better, and this topic will be a bit better understood by everyone.

I am very concerned about the perception that some Hon. Members opposite are trying to establish, either by rhetoric or in some cases by volume, that they are the only ones who are concerned about aboriginal post-secondary education. We on this side of the House are every bit as committed to improving the economic situation of aboriginal peoples as anyone on the opposite side. However, we recognize that we have another responsibility, a responsibility to ensure that the moneys we spend on behalf of all Canadians are spent as effectively as possible.

This morning, the Minister also reflected on a view that is well shared by his colleagues on this side of the House. He said that we are as proud of this program as are the Indians of their graduates. I think that is a very profound statement and it does reflect our feelings.

The funding level of this program has increased significantly under this Government. This has resulted in significant progress on behalf of the Indian and Inuit people. The Government, through the Minister, has reinforced its commitment to the program and to supporting reasonable levels of funding based on consultation and negotiations with representatives of the native community.

It is not enough to say simply that because a program is good it should have open-ended funding. This program is a good program. It should be continued. The program is a fair and a generous one because the Government believes in the importance of the post-secondary needs of Indian students, and we are prepared to support them.

I would like to take a moment to put the current funding levels for native post-secondary student assistance into perspective. In terms of financial support to Indian students, this program is one of the most generous in the entire world. The student assistance program in Canada provides a significantly greater level of support than similar programs in other countries.

Let us compare it to the United States. Last year, the federal Government post-secondary grants to American Indians totalled $32.9 million. That supported 15,000 students. This represented 25 per cent of the funding that is provided in Canada to support for an equal number of students.

Our new policy is generous. It is fair and it can be administered by Indian authorities. It can be administered by Indian authorities in ways which best meet the needs of their students.

The Government assists Indian and Inuit students this generously because it believes in making an investment in Canada's future. Educated people prosper. Economic development opportunities open up and welfare rolls decrease.

Assistance for post-secondary education is one of the most successful programs the federal Government has ever undertaken. Since the introduction of the previous policy, the E-12 guidelines, the numbers of post-secondary students has increased from around 3,500 in 1977-78 to some 15,000 in 1988-89. In the same period, the budget for the program has grown from $9 million to close to $130 million.

The policy has been successful. Every member of the House appears to recognize its value. Nevertheless, we recognize that even the most successful policies must be updated and revised to meet changing needs and emerging trends. In the case of post-secondary education, there was a clear requirement to produce more graduates to ensure that there would be more Indian students who entered colleges and universities to complete their studies and then help make self-government and economic independence a reality for all Indian peoples. The objective of this policy is to help Indians gain access to a post-secondary education so they can pursue individual careers and contribute to the achievement of Indian self-government and economic self-reliance.

I would like now to take a couple of minutes to explain some of the benefits available to eligible students. To begin with, complete tuition assistance is provided to eligible full-time and part-time students. This category of benefits includes student fees for registration, tuition, and the cost of books and supplies required for a particular course of study. A simple example is that if a student in nursing requires a stethoscope, it is an eligible expense and it would be covered.

Full-time students who are required to live away from their permanent places of residence may receive a wide range of benefits. For example, they may qualify for a travel grant back to their homes once every semester for themselves and for any dependant who lives with them. These students will also be eligible to receive allowances to help cover their living expenses including food, rent, heat and electricity. In areas where rental costs are higher than normal, Indian students may receive a special rent supplement.

Let me cite some examples of the level of assistance. Beginning the next academic year, a single student may receive a maximum monthly living allowance of $675. A married student with an employed spouse and three dependants may receive a maximum of $1,205 per month. A single parent with three dependants will receive a maximum of $1,355 per month, plus a rental supplement where applicable.

• (1440)

Students will be eligible to receive funding at three levels. To complete community college diplomas or certificates, undergraduate degrees, and Masters' or professional degrees. Students allowances will be provided for the official length of the student's program, three years for a three-year program, four years for a four-year program, and so on. When required, an additional year may be provided for a student to complete a degree or diploma program at each of the three levels.

Let me put those rates into perspective. A single mother with two children in her first year of a Master's of Psychology program at the University of Regina will receive a grant of $1,205 per month to support herself and her family. Her tuition, books and supplies are paid for. She is also eligible to obtain a scholarship of up to $1,500 for the year. Expenses for travel between Regina and her normal place of residence, if it is outside Regina, will be provided once each term for her and her dependants.

A single student from a reserve in Ontario in his second year of a Bachelor of Arts Degree at the University of Ottawa would receive funding to pay his tuition, his books and supplies, and his travel from the reserve to Ottawa once each semester. In addition he is eligible to receive a grant of $675 per month from the Post-secondary Student Assistance Program to defray living expenses. If this student in his first year maintained a grade average of B-plus, he would also be eligible to receive a scholarship of $1,000 per year.

A married student with three children whose wife and children are dependent upon him for support, in his first year of studies at a Montreal CEGEP where he is hoping to complete the required courses in Business Administration, would receive a grant of $1,355 per month from the Post-secondary Student Assistance Program, above and beyond the funding he receives for tuition, books and supplies. He would also receive an allowance to enable him and his family to travel to and from his normal place of residence once every semester. If he maintains a grade average of B or better during the year, he may also be eligible to receive a scholarship of $1,000 for his next year of study.

These students may not be millionaires, but it is a significant level of support. Grants for single students living away from home are equivalent to a full-time job paying $4.96 per hour. Grants paid to single-parent students with three dependants would be equivalent to a full-time job paying $12.14 per hour.

Successful students will experience no difficulty in obtaining support to the conclusion of a professional degree like a law degree, or a graduate program such as a Master's degree or a Ph.D.

Under the terms of the new program, administering organizations such as bands, tribal councils, education authorities, or other organizations, will have an even greater opportunity to directly participate in the post-secondary education process. The new policy is sufficiently flexible to allow administering organizations to establish their own operating procedures, provided these are consistent with the policy and reflect the maximum rates and limits of assistance.

The Post-secondary Student Assistance Program is designed to encourage improvements in the level of academic achievement, resulting in a generation of Indians and Inuit who are better equipped to face the future.

I would like to assure you, Mr. Speaker, and hon. colleagues, that the only "cap" Indian students will see in this program is a mortar-board.

Mr. Deputy Speaker: The Hon. Member for Winnipeg—St. James on a question or comment.

Mr. Harvard: I appreciate the comments made by my hon. friend. He certainly brought forward to the House an impressive list of figures and benefits that are available to Indian students. I am sure he brought those forward sincerely and respectfully. However, I do think that he misses the point of the entire debate. The major point of today's debate has to do with capping the educational opportunities of native students. We are not saying that it is not a budgetary matter or not a money matter. We have conceded or gone along with the point of view of the Government that there has been an increase in funding. We believe our point, which is sustainable and unassailable, is that there is a capping element which will ultimately limit the educational opportunities of native students. We do not think that that is a good policy, particularly for native students. However, it is not a good policy for the native community, and ultimately it is not a good policy for the country.

It has been demonstrated that the native population is under-represented in almost all major areas of the economy. I believe that all Members would like to see more native accountants, lawyers, engineers, and architects. We would like to see natives better represented in the professions, and throughout the economy. We find the unemployment figures that natives face every day loathsome, horrendous, and appalling. They face despair and desperation in their home communities on the reserves. One way to break out of that and to give them hope and the opportunity to produce and give their all to the country is through education. On this side of the House we feel that we cannot afford to miss this opportunity. We cannot afford not to give native children this opportunity.

Does the Hon. Member not understand how this policy will backfire? Ultimately it will not only harm the native students, but it will harm the country. We want to get natives off the welfare rolls and make them productive. We believe that there is a great risk that the Government's policy will backfire.

Mr. Fee: I appreciate the comments of my hon. colleague opposite. I would like to assure him that the comments and the figures I shared with him and with the House were presented sincerely and respectfully. I would also like to assure him that my colleagues and I share his objective of seeing the natives take their proper place in our society and that they contribute far more economically to the country than they have. We are seeing an increased number of natives join us in the House, and I think that is good and healthy.

The numbers of native students availing themselves of the opportunity to participate in post-secondary education speak for themselves. We are not discouraging that by any means at all. The Hon. Member stated that there should not be a cap. Nobody on this side has said there is a cap.

Ms. Blondin: Then impose a moratorium.

Mr. Fee: We are trying to establish a reasonable budget so we know where we are going. The Minister has offered to meet and to negotiate. He has said that if we can prove there is a need, he will fight. From the comments that have been shared by myself and other Members, the Minister will have support in that fight for extra money, if we have the proof that the students are there who actually need it.

The Minister involved is one of the first cabinet Ministers I met after I received my nomination last year. My riding of Red Deer in central Alberta has very few Francophones. There are a large number of students enrolled in French immersion. That is the only way to learn French, because there are not enough people who speak French on the street. Red Deer is not exactly a hotbed of labour activity. Yet in his capacity as Minister of Labour, a French-Canadian cabinet Minister came to Red Deer to present a cheque and a grant to the Canadian Labour Congress and to meet the press. A man who is willing to do that will not be afraid to negotiate with people and meet them anywhere. I am convinced that this Minister's door is open, that he is honest and sincere and willing to meet people and discuss issues with them. There have been numerous discussions with native groups throughout the past year. He has already changed the original policy based on those negotiations.

Personally, I am convinced if the need is proved he will change it again. I do not think that it is a good policy for government to spend money open-ended on any program regardless of how good it is. We cannot write a blank cheque. We have to know where the money is going.

• (1450)

Mrs. Blondin: Mr. Speaker, I would like to ask the Hon. Member a question. It is anticipated that there will be 30,000 new registrations next year of native students. The Hon. Member has indicated there is no cap.

Will the Member reassure this House, according to the conversations and reassurances he has had with his Minister, that the policy cap will not kill the possibility for post-secondary funding support as the Member has described so eloquently for those 30,000 registrants?

Mr. Fee: Mr. Speaker, I appreciate the question and the numbers. I am not sure whether or not they have been shared with my colleague, the Minister responsible. The Member says 30,000 new registrations. Is that over and above the 15,000?

Mrs. Blondin: New.

Mr. Fee: One of the things the Minister has emphasized over and over are his attempts to meet with native groups to establish a statistical base on which we can put this program. I have not seen that number. I do not know from where the Member is coming, so it is very difficult for me to react to a hypothetical situation.

Mrs. Blondin: I feel the same about your numbers.

Mr. Fee: If the question does come up and if there is statistical backing, I am certain the Minister will address it properly. I have full confidence in him.

Ms. Campbell (Vancouver Centre): Mr. Speaker, I would like to compliment my colleague, the Hon. Member for Red Deer (Mr. Fee), on a very excellent presentation and ask him whether he would elaborate on a point raised by one of his questioners, I believe it was the Member from Winnipeg—Strathcona, with respect to the desire to see more native students in the professions.

It seems to me that one of the very important elements of this program is a desire to provide even stronger financial incentives for students to engage in the professions in those areas of expertise which will contribute very strongly to native independence. Would the Member comment on that?

Also, the Member gave some very interesting figures. They are certainly available. The policy is not a secret. It is well available, and I wish it had been read by Hon. Members before engaging in debate on the issue over the past few weeks.

Perhaps the Member would advise the House from where the figures on levels of support came. It is extremely important for Members of this House to understand that these figures did not come out of thin air. They are very careful analyses of the kinds of expenses the students might incur. Perhaps the Hon. Member for Red Deer would elaborate on those to some extent.

Mr. Fee: Mr. Speaker, it is almost more fun answering questions from the other side of the House because they put you on the spot much more than questions which come from one's own side.

Every one of us here has heard discussions today that if we do not expand this program and leave it open-ended, we are encouraging a continuation of the unfortunate situation that exists in all too many Indian reservations today, a situation of welfare payments and substandard living standards. The two are related. We can help, but an open-ended chequebook or an unlimited amount of money is not the answer. We have to make effective use of the moneys that are there. We have to encourage students to get into programs which will benefit them and their people. The intent of this program is not to say you have to go here or you have to go there. It is to encourage people to go to places where they can best benefit and their people can best benefit from the results of their training.

The statistics we have, as the Minister pointed out, are all available in the informational sheets from the Department. They have resulted from a very careful analysis that has been done. I have checked them. I think they are quite reasonable from what I have seen, and I would encourage any of my friends opposite who have not read them to avail themselves of the opportunity.

Mr. Deputy Speaker: The period for questions and comments is now over. We will resume debate with the Hon. Member for Eglinton—Lawrence.

Mr. Milliken: Mr. Speaker, I am not rising to participate in the debate. I am rising in light of the hour. We have a speaker on this side ready to proceed, the Hon. Member for Eglinton—Lawrence (Mr. Volpe). He will have only five minutes which will cut his speech into one and three-quarters.

In the circumstances, might we consider calling it three o'clock today so that he can commence his speech Monday morning and avoid an interruption over the weekend? I hope that will meet with agreement.

Mr. Deputy Speaker: Is there unanimous consent to call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Member for Eglinton—Lawrence will have the floor on Monday morning. We will now call it three o'clock.

Therefore this House stands adjourned until Monday morning at eleven o'clock.

The House adjourned at 2.55 p.m.

HOUSE OF COMMONS

Monday, April 24, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

FEDERAL BUSINESS DEVELOPMENT BANK—PRIORITY TO SMALL BUSINESSES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36. The petitioners state that, in many respects, small businesses in Canada still pay an average tax rate that is higher than Canada's larger businesses. Both the chartered banks and the Federal Business Development Bank give larger firms preferential treatment in financing. The petitioners raise a number of related concerns. The petitioners are asking Parliament to put the Federal Business Development Bank back into the business of making small entrepreneurs its first priority, reducing time-consuming Government red tape for small businesses, and targeting more federal contracts to the small business sector.

LABELLING OF PRODUCTS TREATED WITH PESTICIDES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition which is also in the appropriate form. The petitioners point out that the human health effects of consuming products treated with pesticides are poorly understood and potentially very harmful.

The petitioners are calling upon Parliament to require all foods treated with pesticides be so labelled, that such labelling include a comprehensive list of all the pesticides used, and that the Government implement a program to encourage and assist farmers to produce a pesticide-free fruit and vegetable sector.

• (1110)

DESIGNATION OF ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, pursuant to Standing Order 36, I am very pleased to present a petition to the House of Commons concerning the Rouge River Valley. Some Members have heard of the Rouge River Valley. It is made up of 5,000 precious acres in Scarborough on the boundary of Metro Toronto. It is in the national interest to preserve this wilderness area which contains endangered wildlife species.

The concern of the petitioners, Mr. Speaker, is that the Province of Ontario, which owns this land, is threatening to put a freeway or a garbage dump in the Rouge Valley. On Saturday there was a rally concerning this and I am very pleased to say that the native groups in Ontario have come on board and support the preservation of the Rouge Valley because of the archaeological aspects.

The petitioners join the Mayor of Scarborough, the Minister of the Environment (Mr. Bouchard), the Save the Rouge Valley System group and the Coalition of Scarborough Community Associations in asking Parliament to work with the Government of Ontario to establish the Rouge River Valley as Canadian heritage land or a provincial park.

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mr. Bill Attewell (Markham): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition. Many weeks ago I met with Mrs. Louise Clark and several other music teachers who are very concerned that a sales tax may be imposed on music lessons. Their position, of course, is that music is education, and not a service.

Therefore, I present this petition which asks the Minister of Finance (Mr. Wilson) to withdraw that proposal from the forthcoming Budget if, indeed, it is in the Budget.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81--POST-SECONDARY EDUCATION FUNDING--NATIVE PEOPLES

The House resumed from Friday, April 21, consideration of the motion of Mr. Nault:

> That this House recognize that the Government's arbitrary and misanthropic policy of unilaterally capping future funding for post-secondary education for Canada's native peoples severely undermines the right and efforts of these peoples to enhance their capacity to make meaningful and lasting improvements to their economic and social conditions and to establish their self-reliance, thereby condemning them to unacceptable living conditions and driving them to desparate measures; and
>
> That this House urge the Government to terminate its plans to cap this funding and to take steps to establish effective bilateral consultations on this and other matters vital to the improvement of the lives of and the ending of discrimination toward these Native peoples.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I would like to address the issue of post-secondary education funding. First, let me give a bit of background. Changes to the E-12 post-secondary education policy for native students went into effect April 1, 1989. Native people, educators and counsellors across the country have protested against these changes. They feel there is no reason to change a system that has been working sufficiently for First Nations. Protests against these changes have been held across the country since March. There have been letter campaigns, awareness campaigns, a demonstration on Parliament Hill and most recently a national hunger strike. To me, this action is unnecessary. This situation could have been avoided. If the situation is abnormal and out of hand, why did the issue get to a point of people fasting and going on hunger strikes?

The students have asked for three things to make the point very clear that post-secondary education be recognized as a treaty right where there are treaties and an aboriginal right for all native peoples; that a bilateral consultation be established and that a moratorium of one year be imposed on the implementation of the changes to the policy guidelines.

The Department of Indian and Northern Affairs is proposing policy changes concerning Indian post-secondary education which were to have been implemented April 1, 1989. The post-secondary education budget has been capped without proper consultation with Indian leaders and educators. We recognize that there were 500 consultations. We also recognize that information has not been made available for public consumption.

A priority system for student assistance has been unilaterally developed and a formula funding system for schools has been arbitrarily imposed. This new policy will seriously affect the number of Indian people entering such institutions. This is a key concern. It will also negatively affect students presently enrolled. Students who have been accepted at recognized post-secondary institutions are being denied the opportunity to pursue post-secondary studies because of budgetary restrictions. Travel allowances will not adhere to the student's choice of university or college. This is regressive and restrictive. This is not in keeping with providing a challenge to native peoples to go to where their potential will take them for the very best education they should get. An adherence to a list of approved institutions and disciplines will be required for funding. Cut-backs are designed specifically to reduce the number of Indians entering post-secondary institutions.

There has been much discussion about whether there are cut-backs and how to determine the difference between a cut-back and a capping. With there having been no increase over the last two to three years, that to my mind constitutes a cut-back and is a restriction in the minds of the beneficiaries of the program.

The policy recommendations signify further limits to the possibility of involving more Indian control over education. In the area of consultation there is also a dispute between native people and the Ministry over the quality of consultation that took place prior to the implementation of these changes. Native groups who believe this policy should be a treaty right did not want to jeopardize their position by participating in a consultation with the Ministry, so DIAND received very little feed-back and input to the policy from those people affected. The first five drafts of the policy were done without any consultation with native people. As well, the Minister is not able to document the consultation received or even provide statistics on the alleged problems with the old guidelines which should have justified the need for these changes.

This is not a new problem. This is not a problem that the Parties and the leaders have jumped on. It is an old problem. It is something of which the leaders, the Parties and the Members Of Parliament were aware. In a letter to the Right Hon. Prime Minister (Mr. Mulroney), Keith Penner, the former critic for aboriginal affairs, said that without consultation with Indian leaders and educators the post-secondary education budget has been capped, that a priority system for student assistance has been unilaterally developed and a formula funding system for schools has been arbitrarily imposed. These measures have resulted in a limitation of access to a program that was previously accessible to all Indian students who qualified for assistance under its provisions. Now Indian students who are eligible for assistance under the program and who have been accepted at recognized post-secondary institutions are being denied the opportunity to pursue post-secondary studies because of budgetary restrictions.

• (1120)

Mr. Speaker: I regret having to to interrupt the Hon. Member, but at least for the moment we have a matter that is going to require me to consult with officials and staff. I would ask the Hon. Member to stay in her seat and I will get back to her for debate as quickly as possible.

[*Translation*]

Mr. Speaker: Attention, please! I wish to report that we have a problem.

[*English*]

As Hon. Members know, we have a fire alarm. I do not think there is anything to be alarmed about. However, it is appropriate that Hon. Members vacate the Chamber. We will resume at the call of the Chair.

I regret having to interrupt the Hon. Member, but one can understand why.

[*Translation*]

Thank you very much for your cooperation.

The sitting is suspended.

• (1140)

[*English*]

SITTING RESUMED

The House resumed at 11.41 a.m.

Mr. Speaker: Order. I want to advise Hon. Members that the fire alarm to which we have just responded seems to be a false alarm. There is no indication anywhere in the building of a fire.

I want to thank everyone for co-operating so expeditiously, and thank all of the internal security staff for once again doing their duty in such an expeditious manner.

Mr. Lewis: Mr. Speaker, I appreciate your comments. Since the debate has been interrupted for approximately 22 minutes, and since this is an allotted day and we do not want to lose the debating time, on behalf of the Government I suggest that we would be amenable to a proposition that would extend the debate beyond one o'clock in a manner similar to the provisions of Standing Order 33 for Statements by Ministers, in order to pick up the lost time.

Mr. Gauthier: We agree to that, Mr. Speaker.

Mr. Riis: Mr. Speaker, it is a great idea.

Mr. Speaker: I thank Hon. Members. The Hon. Member for Western Arctic (Ms. Blondin).

Ms. Blondin: Mr. Speaker, I was about to refer to a quotation on the issue of post-secondary education. Its importance can be expressed by the native population across Canada far more eloquently than by myself, so I will rely on a lot of material I have accumulated from those particular groups during my research.

The first is a quotation from the priorities outlined by the Saskatchewan Indian Education Council of the Federation of Saskatchewan Indians, which was addressed to the Minister of Indian Affairs and Northern Development (Mr. Cadieux). This group has an outline within the presentation entitled "Misplaced Priorities". They state:

> Another thing wrong with the policy and attitude of government is that its priorities are misplaced. The Government says these are tough times, and everyone has to tighten their belt. We agree—because if Canada wanted to spend wisely and prudently, the First Nations would be a lot better off than they are now.
>
> Look at the way priorities are set now:

When it comes to paying the costs of holding our youth in jail there seems to be no shortage of money.

When it comes to paying for a lifetime of welfare and poverty, the money is there.

The first priority should be money for our youth who want to move ahead to get an education.

Surely a government should understand investment, even if it doesn't seem to understand human suffering and wasted lives. It should know that a bit of money invested today in education will save a lot on social assistance funds in the future.

This brings to mind the remarks of another senior elder of the population. He said: "If it costs $30,000 for a majority of the native students who are educated and get post-secondary education, that is paid back through the tax system in spades". It is not as if they are ripping off the taxpayers.

The Saskatchewan Indian Education Council went on to say:

What does it cost for education for a young man or a young woman to be self-supporting? $30,000? What does it cost for that same young man or woman to be supported for the rest of his years on welfare, or to be counted as a casualty of one of the unemployed—$50,000—a half-a-million dollars?

These are questions people ask.

And that doesn't count for the cost of foster care and social disorganization—not to mention the cost of losing the contribution to society of a productive, capable human being. It is incredible that Canada would be willing to support a young person on welfare, but prohibit the same money being used to support that your person's education.

If there ever was a shortsighted policy that would be paid over and over for generations ahead, it is one the Department has invented for post-secondary education.

We would think, too, that a Canadian Government and the people of Canada would want to see that its money was well-spent. It hasn't been well spent under the past policy, and it won't be well-spent under the new policy.

The policies force us to waste money. The most effective solutions cannot be applied because they are 'against policy'. Students are forced to take inappropriate decisions in order to conform with an inflexible policy.

What seems to be the most important priority for the Department is maintaining control, maintaining poverty, maintaining Indians in their place. There is no better evidence to this harsh statement than the policy which the Department is trying to force on the First Nations.

Let's sit down together and decide where the priorities lie, and how we can most efficiently and effectively conserve valuable resources.

These statements can easily be misconstrued or misinterpreted. But if you take the time to listen, what people want is to play a meaningful role in a bilateral process that is being discussed. They want to have input into a policy that is workable for them. They are the ones who have to deal with this particular policy. They are the ones who are going to the post-secondary institutions under this policy. They want their leaders and their students to participate in a meaningful dialogue in order to come up with a meaningful policy that they can live with and work with.

I want to remind the House of the statement made by the Prime Minister (Mr. Mulroney) at the First Ministers Conference in April, 1985. He said:

As a Canadian and as the Prime Minister, I fully recognize and agree with the emphasis that the aboriginal peoples place on having their special rights inserted into the highest law of the land, protected from arbitrary legislative action. Constitutional protection for the principle of self-government is an overriding objective because it is the constitutional manifestation of a relationship, an unbreakable social contact between aboriginal peoples and their governments.

In seeking constitutional change, I recognize that this alone cannot resolve our economic problems. Constitutional change is not enough to reduce disparities and correct injustices. Rather, improvements to the economic and social circumstances of aboriginal peoples must be pursued at the same time as changes to our Constitution are sought to define the rights of aboriginal peoples. Action is required on both fronts and the two set of endeavours, while separate, are mutually supportive.

• (1150)

Why do we have the statement in 1985, and why do we have a Minister whose actions are contrary to the statement of support for the aboriginal peoples in adherence to the contract between the aboriginal peoples and the Government?

I want to bring forward another article that came out of a book from a group of 38 elders who were asked to repeat their life history. Many of these elders received their education on the land. Many went to residential schools and many did not have the benefit of a full education, going only to Grade 8. For example, Willy Minoza who was born in 1924. "In 1936, my father died and my mother was not able to look after me. So I went to the mission." Willy feels that the mission failed to give him the educational background that would have enabled him to succeed in the white man's world. He says, "Our lives run parallel with the white man's, parallel and never touching. It is unlikely that we will ever be able to do and have what white people have, and for me there is no use in trying to change things. I may as well live out my days in my own way rather than to struggle to no purpose." He goes on to say, "When they tell us the land is ours, I don't believe what they say. If it was ours, then we would have control, and we don't. If we had self-determination, then we would have a chance."

As a young aboriginal person I have dealt with many of the students across Canada. I have taught elementary school, high school, junior high school, in the colleges and the university. I feel that we deal with the same kind of hopelessness. We have to compel the young native people to overcome the kind of attitude that is being perpetuated by a lack of trust between the Government and the native people. I think the one key to self-determination and self-sufficiency is through education.

To put a cap on the education program is a move that is regressive, that holds back native people. You may sit back and say that we have a cadillac approach to education. I do not believe that. Many of the native students come from large families where wealth is shared with everyone. I know that for a fact. I come from a family of 18. I feel that the native population rallies around this issue and they support one another. We cannot afford to have a priority or a waiting list. We need every native individual that is qualified and able to get a post-secondary education enabled to do that. We do not need impediments. We do not need a Government that will not work with the people. We need a Government on side that recognizes its mandate to work with the aboriginal peoples of Canada.

We should not lay blame and control the dialogue and have the native people pitted against the non-native population on this issue.

An example of native people getting support from students and from other groups across Canada is a statement from Milasapina College in B.C. It says, "Milasapina College strongly supports the Nanaimo Indians band's protest of proposed First Nations post-secondary funding capping by Indian and Northern Affairs for the following reasons: One, post-secondary education is one of the most important tools in providing the profile of native people in society. Native bands have indicated for many years that post-secondary education is their number one priority. Three, caping the funds needed for post-secondary education is certainly going to limit who gets educated, and will possibly direct people into select programs. Four, all Canadian peoples have a right to an education, and because of their unique constitutional status, the aboriginal people have a very special right to that education. Five, at Milasapina College, the number of native students have increased from 11 students in 1974 to 150 in 1989 on all four campuses."

It is interesting to note that over the years, there has been waste. There have been periods of times in which the program funding has not been maximized or used efficiently, but it is now at this critical time that people of my generation and the younger people that I see coming up are starting to reap the benefits of that program. They are starting to re-invest into society in a positive way. This particular cap is an impediment to that positive movement.

I want to read a letter from John D. Whyte, the dean of the Faculty of Law of Queen's University. It is entitled:"Statement of support in the face of government cut-backs in native Canadian post-secondary student assistance program". He states:

> Any adjustments to the government program of funding higher education for native students which limits access to university training constitutes a devastating blow to the program of producing social justice for native people.

According to the Human Rights Commissioner's Report, this is the essence of where the Government has to go with aboriginal peoples. Your efforts have to be directed at helping, not impeding. That is what the people are asking for. We are not asking for something that we are not entitled to.

I would also like to read another letter that comes from Joanne Martin, National Affairs for the Canadian Union of Educational Workers. She sends greetings of solidarity to the Assembly of First Nations. She states:

> "We support your demand that the federal Government rescind the changes made to the Post-Secondary Education Assistance Program and your call for a moratorium on changes to the old policy. We call on the Government to commence negotiations with the Assembly of First Nations immediately. In solidarity and friendship, Joanne Martin."

I have files full of these letters from people across Canada who believe that this change is going to affect the way in which native people can participate equitably in society. I have met with the students on the fast. I have personally, for health reasons, asked those students to come off the fast. I have also done that because I believe this is not a problem that resulted from the fast. This issue was there before, something that the leadership recognized. When I first got here in December, my first delegation was from Saskatchewan. They immediately provided me with documents on this issue expressing their concern. I then had my staff meet with a group of university students. I have met with people all across Canada from B.C. to Newfoundland on this particular issue. They all expressed their particular concern.

In closing, I would like to say on the issue of treaty rights that many people will say it is not a treaty right. The Minister has agreed to provide a forum for discussion, once the situation normalizes itself. Well, I am not sure that this opportunity will come this week. We will soon be consumed with budgetary discussion. The importance of this item will be diminished by all of the activities evolving around Budget, but I can tell you that it will not diminish in the hearts of the people it affects. It will not diminish in importance with the leaders. It is something that the leaders believe in and will struggle to obtain equality in. I want to thank you very much.

• (1200)

Mr. Speaker: I am sure Hon. Members will notice that the Chair did not interrupt the Hon. Member for Western Arctic (Ms. Blondin) although she went beyond her time because I was judging the mood of the House and I felt that it was the wish of Hon. Members to allow the Hon. Member to continue. I thank the Hon. Member.

Questions or comments?

Mrs. Dobbie: Mr. Speaker, I thank the Hon. Member opposite and I agree with many of the things she said about the need for equitable, good and consistent post-secondary education for Indian students. However, I would like the Hon. Member to answer a question. Is it her Party's position that education is a treaty right?

Ms. Blondin: Madam Speaker, it is my Party's position and my position that we must look for a forum in which to review the status of treaty rights where treaties exist. We do believe that it is an aboriginal right and a human right for all Canadians to have a proper education. Because of the unique constitutional status of aboriginal peoples, they have a unique right.

Mrs. Dobbie: Madam Speaker, the Hon. Member did not answer my question, but I would take her answer to mean that her Party does not believe that it is a treaty right.

My second question deals with some comments the Hon. Member made in her remarks. She suggested that there have been cut-backs to the program and I would like to know how she can substantiate that when there has indeed been increases of 10 per cent in the program in each of the last two years.

Ms. Blondin: Madam Speaker, there are a number of issues that come to mind when talking about the cut-backs that I deem to have occurred. There has been a budget of $130 million for the last two years with a 10 per cent increase which makes for approximately 3 per cent over the last three years. That is hardly equitable according to a cost of living adjustment.

Ms. Campbell: Thirty-four per cent since 1984.

Ms. Blondin: In my discussions with the Minister, I found that there was an underestimation of the number of people who were to be reinstated. The department estimated that there would be 30,000 people, and apparently the figures have now skyrocketed to between 50,000 and 80,000. Those are the figures I have heard in the last 10 days.

I do not have the responsibility for the data base. The Government has the budget and the money to formulate a data base but could not even construct a data base to make a positive, equitable change.

Mr. Nault: Madam Speaker, I would first like to congratulate my colleague for making a very well-put speech. Second, I would like to ask the Hon. Member a question. Considering government Members have asked us over and over what the figures are, almost to the point where we wonder whether they know the figures themselves, could the Hon. Member give us some examples of individuals we have been made aware of who will not be able to attend post-secondary institutions because of this?

Mrs. Blondin: Madam Speaker, I do not have a copy of the list of students who will not be able to attend post-secondary education, but I believe that there have been three regional reports showing that in one area, there is a waiting list of 500 native students who qualify but who will not be able to attend post-secondary education facilities because of the capping.

Mr. Riis: Madam Speaker, I too want to pass along congratulations for the Hon. Member's well-argued reaction to the Government's behavior surrounding the question of capping post-secondary education funds for native students. The last question asked of the Hon. Member dealt with the number of people who will be unable to pursue post-secondary educational goals.

One of the bands in my constituency, the Neskainlith Indian Band, has been a very progressive band in the last number of years. It is a small band and it has a list of 30 young people who have now qualified for entrance to post-secondary institutions. The band has been informed by the Department of Indian Affairs that it will be lucky to receive funding to send five students. This means that 25 young people from that small band in rural western Canada who have worked to qualify for post-secondary education will not be able to have that opportunity.

In the best interests of the pursuit of native self-government, self-reliance and self-determination, education at the post-secondary level is absolutely mandatory. My colleagues and I in the New Democratic Party find it unacceptable that these opportunities would not be provided for native young people.

Ms. Blondin: Madam Speaker, all I can say is that I agree that the situation is unacceptable.

Mr. Sobeski: Madam Speaker, the Hon. Member stated that funding for the program has not increased over the past two years. The program budget has increased by 10 per cent per year for the last two years. How can the Hon. Member make such a misleading statement?

Ms. Blondin: Madam Speaker, I think that the misleading information is coming from the Government. I did mention the 10 per cent increase in my remarks, but I also mentioned that the budget remains at $130 million. A 10 per cent increase over the next three years could be far more easily negotiated between the various groups on a per annum basis and would be preferable to a 10 per cent that remains static over the three years. I do not see that as being a major increase or as keeping up with the times and with the challenging demands of getting a state-of-the- art education in 1989.

Mr. Soetens: Madam Speaker, I have a question for the Hon. Member for Western Arctic (Ms. Blondin). A member of her own Party asked her to give some examples of some hardship cases or cases that were not being handled properly. Of course, she did not have any information available and could not answer that question. Perhaps I could ask her a question so that I could hear her input on this issue.

There was a release issued by the Minister of Indian Affairs and Northern Development (Mr. Cadieux) citing some examples of students who are funded. Susan, a single mother with two children who attends the University of Calgary receives a grant of $1,305 a month, plus all her tuition fees, books and all the accessories she needs plus transportation back and forth to her permanent residence. Another student is married and has three children and is also attending university and receiving $505 a month for living expenses over and above all the tuition fees. Does the Hon. Member believe that these students are being poorly funded in their endeavours to get a university degree?

Ms. Blondin: Madam Speaker, the issue is not about students on an individual basis. If we looked at every case in any crisis situation, I am sure we could find positive elements.

The issue is that we do not want a waiting list to be created by the capping. That is the issue.

Mr. Kristianson: Madam Speaker, I would first like to congratulate the Hon. Member for Western Arctic (Ms. Blondin) on her comments and on the obvious feeling she has imparted to them. My constituency of Kootenay—West Revelstoke is perhaps one of the few hinterland or resource ridings in Canada that has no Indian bands or reserves within its boundaries. However, I have worked for a number of years at different times in the past with a number of band councils, particularly in British Columbia and Manitoba, and I am aware of some of the history of the issue.

The problem that I see and I think many of us see is that the Government continues to deal with this in a narrow, legalistic way, saying it is not capped in a narrow definition of the term. Government Members continually ask, as they asked of the Hon. Member, whether or not her Party or our Party or any Hon. Member believes that these potential student rights are a treaty right.

• (1210)

For decades in the past, in coastal areas of British Columbia, our white, Christian churches imparted the belief to many native students that there was nothing in their background to be proud of, and that they should be ashamed of their families and their history. Now we have finally reached the point where they are proud of themselves and proud and aware of their history, in the same manner that the rest of us have had that luxury for years and years. They are now claiming what is a moral imperative and a right which must be recognized, not in

its narrow legalistic terms, but by realizing if they are now prepared and want to exercise their abilities to the fullest of their potential that nothing should stand in the way. I believe that that is the argument we are all making. We have heard enough of the narrow, legalistic defences brought forward by the Government.

Hon. Kim Campbell (Minister of State (Indian Affairs and Northern Development)): Madam Speaker, before I begin I want to make a brief comment on two things stated. The previous speaker suggested that the issue of treaty right is a narrow, legalistic approach. I wish to advise the Hon. Member that the question of whether or not post-secondary education is or is not a treaty right is the fundamental basis for the current dispute between the Government and Indian people over this policy.

As a matter of policy, the Government has shown a deep commitment to post-secondary education for native students, and the question of whether or not it is a treaty right underlines most of the argument we are hearing now. The Hon. Member, like myself, is from British Columbia which is not a treaty province, but I can assure the Hon. Member that if he had accompanied me to Saskatchewan yesterday he would not have made the remarks that he did.

The Hon. Member for Western Arctic (Ms. Blondin) objects very strongly to the problem that we do not have a data base. Yet she denounces the very guidelines that, for the first time, will enable us to establish the data base of aboriginal students in Canada. This will enable the Government to plan both fiscally and educationally. I find that rather an extraordinary position for the Hon. Member to take.

I would also like to remind the Hon. Member that, in response to a question from the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Dobbie), the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), a former Minister of Indian Affairs and Northern Development, stated in debate on Friday: "At no time did I say the Government has cut back on the program. They have not. They have increased the program". It would sometimes be a welcome development in the House for members of the Opposition to have the good grace to recognize that.

The Opposition paints a very gloomy picture of the conditions of native people in Canada and, yes, it has been well documented that Indian living conditions, for example, lag behind those of the general Canadian population in many ways. What I find disappointing about the Opposition's view of Indian conditions is its lack of balance and perspective. There appears to be a belief that aboriginal people are totally dependent on the federal Government. The Government is supposed to provide shelter, the Government is supposed to provide employment, the Government is to develop the human resources of native communities, and the Government is even to provide self-government.

Anyone who knows the native people of Canada knows that they are not sitting back waiting for Government to save them. More and more Indians and Inuit are taking their futures into their own hands. Indian political leaders and ordinary community members are the people who are building self-government. The right to self-government is part of every Canadian's birthright, and aboriginal Canadians are no exception.

Indian entrepreneurs are building businesses and creating employment across the country, from Sumas Clay Products near Vancouver to Econobois in Huron Village, Québec; from Six Nations in Ontario to Eskasoni on Cape Breton Island, the elders are forming the young in the ways of their native cultures, as the schools are preparing them for a modern technological society.

Health is more than pills and hospitals; it is sound lifestyles. It is communities such as Alkali Lake in my own Province of British Columbia renouncing alcoholism through the courage of their own members.

So let us not insult aboriginal Canadians by portraying them as passive wards of the state. That era of total dependence is thankfully passing into history. Nevertheless, the fact remains that Government has an important supporting role to play in native development.

Social indicators show that Indians generally face worse living conditions than other Canadians. For example, life expectancy for Indians is about eight years shorter than the Canadian average. Death by suicide is about two and a half times more common among Indians than among the general Canadian population. Death from injury and poisoning is four times more common. The unemployment rate of on-reserve Indians is several times the Canadian average. These facts are undeniable. They represent unfinished business for Canadian society, and we acknowledge that.

Yet why must there always be this litany of negativism? Rather, we should take heart in the stunning progress which has occurred over the past generation, and especially in the past 10 years. We need historical perspective in order to understand and deal with the remaining problems.

Since 1960 Canadian society has opened up to Indian people politically, economically, and socially. Indians themselves have acted with initiative and determination. Moreover, federal government programs and budgets benefiting Indians have expanded rapidly. The result has been a generation of remarkable advance.

Until 1961 Indians did not have the right to vote in federal elections. Today Indians participate in Canadian political life at all levels. Indians have served and continue to serve as government Ministers and elected and appointed representatives. In the four constitutional conferences on aboriginal self-government native leaders negotiated directly with the Prime Minister and the provincial premiers.

In 1960 most Indian communities were still directed by Indian agents, officials appointed by the federal Government. Today the Indian agents have long disappeared, and Indians directly administer over two-thirds of the funding provided by the Indian and Inuit affairs program of the Department of Indian Affairs and Northern Development.

Some bands, such as the Cree and Naskapi in northern Québec, and the Sechelt in British Columbia have established their own self-government structures outside the Indian Act, and several more communities are developing their own arrangements in consultation with the federal Government.

In the area of education we have seen that in the 1960s Indians had little role in their own education. Many students were sent to church-run residential schools where their language and culture were discouraged, and where they were cut off from their families and their communities. Few Indians graduated from high school, and virtually none went on to post-secondary education.

Today there are approximately 250 band-managed schools, up from 135 in 1980-81, serving over 26 per cent of Indian students. Indian language, culture, and tradition are increasingly being integrated into the curriculum, often employing Indian elders as instructors. The proportion of Indians on the staff of federal schools has tripled during the last two decades.

There is significant evidence of improved educational performance. For example, in 1984 the Canadian Education Association reported: "a sharp improvement in academic achievement" of Indian students.

Improvement in post-secondary education over the years has also been dramatic. In the 1960s not more than a few hundred Indian students were enrolled in post-secondary studies. In 1975-76, 2,071 Indian students were assisted with a budget of more than $4 million. On a personal note, I might add that as a professor of Political Science in the University of British Columbia in that year, I had the pleasure of teaching one of those students who went on to successfully complete the program in native law at the University of British Columbia. Since then the number of students assisted has grown to the point where last year over 15,000 students were funded from a budget of $130 million.

The new program provides a range of monthly grants for living expenses ranging from $290 per month for a single student to $1,405 for a single parent with four dependants. In addition, the program covers the cost of tuition, travel, books and other special equipment required for the course. No other country offers its native students such a generous program.

The policy was changed to improve the effectiveness of the program and to encourage more Indian and Inuit graduates to pursue careers that would contribute to the achievement of Indian self-government and economic independence, reflecting two important goals of native people. The new program rules support those goals more effectively than the old. The new policy does not cut back on funding. There is no cap on the budget of the Post-secondary Student Assistance Program. As other colleagues have stated, the budget has increased by 10 per cent in each of the last two years to keep up with the growing demand for funding.

• (1220)

If the data indicate that more increases are required in the future, my colleague, the Minister of Indian Affairs and Northern Development (Mr. Cadieux) has stated on numerous occasions that he is prepared to seek increased financial resources. The old policy limited the length of student support to a specific number of student months. Under the new policy there will be no 48-month

limit on assistance about which we keep hearing. That was only a proposal for discussion which was changed after last year's consultation with approximately 500 bands, tribal councils and student groups.

Taking into consideration the views of these groups, the new policy provides funding for the time it normally takes to obtain degrees right up to the doctorate level. Additionally, the policy will provide funding for an extra year, if necessary, in order that students can complete each of those degrees.

Previously there was a wide range of regionally determined rates of assistance. The new policy establishes a national standard rate structure providing more equal treatment across Canada. The new policy improves an already successful program and reflects many concerns expressed by native groups before and during the consultation held last year. It increases funding assistance, and promotes self-government and economic self-reliance through strategic study scholarships of up to $3,500 per year. It promotes excellence through academic scholarships of up to $1,000 per year.

I want to add my opinion to that of my colleagues that I believe this new policy is fair and a great improvement over the previous guideline. Education is definitely seeing some progress.

Concerning the area of housing, in the 1960s most Indians lived in seriously inadequate housing. In 1965, for example, fewer than half of on-reserve houses had electricity and only one in six had a safe water supply. Piped water and sewage systems were virtually non-existent. New houses being built did not meet basic national building standards, let alone satisfy the special needs resulting from the traditional life style and harsh climate of many communities. Crowding was a serious problem. Today, two-thirds of Indian homes have sewers or septic tanks, electricity is available in virtually all communities. With the assistance of federal funds of $118 million allocated for on-reserve housing together with loans guaranteed by the federal Government Indian bands build about 3,000 new homes and renovate another 3,500 each year. This total consistently exceeds the minimum targets that have been established.

More than 30 per cent of the current housing stock has been built in the last five years alone and a further 35 per cent has been renovated. Housing is being built to national building code standards using Indian labour and materials where possible and is being designed to meet cultural and climatic conditions. The health of Canadian Indians has improved considerably over recent years. These changes are the result of improved living conditions, better access to quality health care and greater community involvement in health education and delivery. Life expectancy is a significant indicator of over-all quality of life in a given population.

Between 1978 and 1985 life expectancy at birth for Indian males increased from 61.6 years to 64 years and for Indian women from 68.9 to 72.8 years. The rate of increase for both sexes is about double that for the general Canadian population. Although life expectancy for both sexes still lags about eight years behind the over-all population, the gap is narrowing.

Twenty years ago few Indian businesses existed except for family farm operations and some local stores. Most reserves imported goods and services. Employment was generally limited to traditional activities such as trapping, fishing and hunting. Indians had little control or involvement in planning or managing their own economic development programs. Isolation from urban centres, relatively low levels of education, especially among older workers, lack of business experience and capital and legal obstacles all imposed barriers to on-reserve economic development. However, progress is being made. Today, there are over 5,000 Indian businesses most of which are located on reserves and are individually owned. About half of these businesses have been established in the last five years. The Government has been instrumental in helping them get started with money and advice but the vast majority are now self-sustaining.

In 1986-87 alone the Indian and Northern Affairs Economic Development Program helped over 900 Indian businesses through a combination of equity contributions, direct loans and loan guarantees. Indians are now able to meet many of their local reserve needs for transportation, construction and the supply and distribution of basic commodities. Reserve-based enterprises are active in the mainstream of Canada's strong resource sector with significant involvement in the oil, gas, minerals, forestry, including sawmills, and agricultural sectors.

The economy of Indian communities has benefited significantly from the devolution of government-funded Indian programs such as band administration, social welfare, education and economic development to the community level. To date, this political development has led to more than 8,500 jobs being created by band governments.

Over the last decade there has been a major increase in the involvement of Indians in the planning, management and provision of economic development programs. To date, the federal Government has aided Indians in assuming control of such programs by providing assistance to Indian financial and sectoral economic development institutions, tribal level development corporations and band economic development officers.

In the early 1960s, Indian culture was only beginning to emerge from a long period of neglect. Indian language and religion had increasingly fallen into disuse. The younger generation was mostly ignorant of the traditional practices and pursuits that had for centuries sustained Indian communities.

Today, Indian culture is being reasserted as a key to community pride and self-reliance. Native language programs have been instituted in the schools along with programs on Indian culture and history. About 50 per cent of Indian students now receive instruction in their native languages. There are numerous aboriginal newspapers, several of which are multilingual, publishing in a native language as well as either English or French. An extensive network of aboriginal radio and TV services provide native language programming to aboriginal communities. The work of Indian artists is increasingly being accepted by the mainstream art community. Works by native artists hang in galleries across Canada, including the National Gallery in Ottawa.

Indian communities are gaining control of their future. Individual Indians have choices never before available to them. They can choose to live on reserve close to their traditional lands and pursuits or they can choose to live in the cities and participate in a broader society. Moreover, they can choose a lifestyle which draws upon what both worlds have to offer.

The important advances made by Canada's Indian people can be attributed to several factors, one of the most important is the determination and preservation of a new generation of Indian leaders and professionals. In Government today there are not unlimited funds nor is progress as quick as many demand. The fact is, however, that federal expenditures for aboriginal affairs have increased significantly in recent years. In 1984–85, total federal expenditures for aboriginal peoples were $2.7 billion. By 1988–89, these expenditures reached $3.4 billion. As a percentage of total federal expenditures, excluding public debt costs, expenditures for aboriginal affairs increased from 3.13 per cent in 1984–85 to 3.42 per cent in 1988–89. This represents a very significant re-direction of Government resources, especially during a time of expenditure restraint.

Indian living conditions have improved significantly in the last quarter century. Although much has been accomplished, of course, more remains to be done. Indians are still among the most disadvantaged of all Canadians. Nevertheless, the momentum for change, established over the last 25 years, is clear and strong. The federal Government is firmly committed to working with Indian communities to achieve further improvement in the years ahead. Such improvements will come with the direct involvement of educated professionals, hence the importance of the post-secondary student assistance program. This policy equips the Indian youth of today with the knowledge and skills necessary to enhance self-government and economic self-sufficiency tomorrow.

Ms. Blondin: Madam Speaker, in view of the fact that the Hon. Minister's report is so positive in what developments have taken place over the last 25 years, can she tell us how she can justify the Human Rights Commission report on native people?

• (1230)

Ms. Campbell (Vancouver Centre): It is very clear that we have in Canadian society a standard of living, which is really unequalled in the rest of the world. We aspire to have all Canadians live at that standard. There is no question. At no point in my remarks did I ever suggest that Indian people were not among the most disadvantaged of Canadians or that they did not have difficulties. What I am trying to suggest is that there has been a momentum for change, largely stimulated by the efforts and the initiatives of Indian and Inuit people themselves. I think it is very important that there be a corrective in this House that recognizes that change. There is a great deal yet to be done. The Government has committed itself very strongly to the Post-Secondary Funding Assistance Program as a very fundamental component of the strategy for the advancement of Indian people.

What I wanted to speak about today was also the extent to which the administration of affairs for Indian people has been devolved to their own communities, the extent to which progress has been made. It is very important to recognize that we are moving in the right direction. Yes, we have a long way to go and we are committed, as has been shown by our policies. Much of the progress that has been made can be traced to the last five years of significant financial allocations, and significant program improvements. Our Government's record is there, and it is clear. Yes, we have much more to do. I believe that we are moving in the right direction and are committed to that program.

An Hon. Member: Hear, hear!

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Comox–Alberni (Mr. Skelly).

Mr. Skelly (Comox–Alberni): The Hon. Minister denied that there was a cap being placed on the budget for the post–secondary education program. The Member will also recognize that the participation rate for native students is 4 per cent, while the participation rate for the population as a whole is something in the neighbourhood of 27 per cent. It is obvious that there is a racial bias against the participation of native Indians.

The time to place a cap on the budget for post–secondary education is not when there is such a substantial degree of inequity between the participation rate of natives and the participation rate in the population as a whole.

The Minister has said in her speech, before she went on to other issues, that there was no capping of the budget. I wonder if she could explain the following statement made in the Minister's letter of March 20: "A budget that could not continue to grow at the pace of the last decade", in other words, using everything but the words,"the budget is being capped." The growth is being curtailed in that budget.

In many other places in the same letter, Madam Speaker, the Minister is making the same statement about the budget being curtailed, such as that we "will have to live within its annual allocation, which may mean that a small number of students will temporarily have to seek those sources of support available to all other Canadians".

The participation rate figures suggest that Indians are being denied access to those sources of support available to all other Canadians. Will the Minister admit that the budget is being capped, in the former Minister's own words, although he does not use the word "capped", and that he is doing it at a time when there is a significant inequity between the participation rate of native students and the participation rate in post–secondary education of Canadians as a whole?

Ms. Campbell (Vancouver Centre): I welcome the opportunity to address the Hon. Member's comments because the Leader of his Party raised the issue of the Minister's letter on Friday during this debate. Unfortunately, there was not enough time to pursue his remarks.

The Minister comments in his letter that the budget cannot continue to expand at the rate of the last decade. In the last decade, or if I can just expand, since the program began, which is really 14 years, the budget increased by a factor of 30, when the student enrolment increased by a factor of 7.5. That is an enormous increase. It is now timely, I believe, and that is the view of the Government. It is time to look at the program and to see whether it is getting the results and whether it is as effectively managed as it could be. The purpose of the new guidelines is to try to ensure that. We have, for example, no firm data that enables us to plan carefully in advance for the demands on the post–secondary program.

We believe, from what we have been able to ascertain, that the demographics of the student population is shifting slightly. The enormous initial demand from mature students is levelling off. Those are the students that tend to have dependants, and require a greater level of support. The balance of the age groups and students will change slightly, that we will see more young, single students coming into the stream. They do not get support at the same level because they do not have dependants, and they do not require child care and increased levels of support for housing.

We are trying to get hold of the program to understand who our clientele is and what the future demands are going to be. That is the purpose of the program. I do not think that to suggest that the program budget cannot increase 30 times in the next decade is in some way an implication that we do not want to support native students. We have many programs in this Government to which we allocate budgetary funding. We want to do it on the most accurate basis. The problem that we have had in the past is that sometimes we have had indications of

funding needs in one part of the country, and those funds have not been used, and in other parts of the country students have been kept waiting.

We have made the commitment that there will be no denials of funding. There may be deferrals for a term. We are hoping that there will not be deferrals. We are hoping that in fact we can have a system where our information is sufficiently complete so that all of the students will be able to study as soon as they are ready to do so.

I would think that there would be an attempt to try to understand a very important part of the budget, to get some control of it, to find out what the demand is, so that the Minister can always be well supported when he goes to Treasury Board. In an era of difficult fiscal restraint, we are looking at an enormous national debt, when all of the Departments of the Government have an obligation to the Canadian people to manage well. I find it extraordinary that the Hon. Member would be opposed to provisions which will enable the Minister of Indian Affairs and Northern Development always to present a well substantiated request to Treasury Board, a well substantiated proposal for funding of this program. The commitment of the Government to this program is not simply theoretical or rhetorical. It is palpable. It has grown by 34 per cent since we came into Government. That is the proof of the pudding.

I think it is extremely important to understand that there are other issues surrounding this particular debate. Certainly, the question of treating the post-secondary assistance program as a budgetary matter, as opposed to something that is open-ended and funded with a blank cheque, is a reflection of the position that the treaty Indians take, that post-secondary education is a treaty right. There is a philosophical issue underlying this. It is a serious one. It is one that will not be resolved in the near future.

I think that to suggest that the Minister's letter suggesting a concern that a program cannot expand by a factor of 30 in the next decade, is in some way a reflection of a hostility to the program, or a desire to cut it back, is ridiculous. Clearly, what we want is a program that meets the needs and that our Department can fund with some knowledge and some assurance, and where our requests for funding will be met with approval and respect by Treasury Board.

Mr. Casey: Throughout this debate there seems to be a difference of opinion on access to the program. I would like clarification. I would like to know if students are in fact being denied access to the program now, and will they be denied access to education under this program in the future under the new policy?

Ms. Campbell (Vancouver Centre): There are two aspects to that question. One is the question of funding, the other is the question of administrative efficiency. We have had students who have had to defer. There was no denial of funding. Every student who qualifies will be funded. The question is whether they will be funded at the moment when they are themselves ready to go on to higher education. We want to have a program where we know where the demand is. Two-thirds of the budget is administered by bands. We have to know where the demand is, what is the demographic make-up of the student population, so that we can plan and make sure that at the beginning of a fiscal year we have the funds in hand in the right places to make sure that every student has access to that opportunity.

• (1240)

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, it is a pleasure for me to have this opportunity to speak in this debate and to discuss this extremely important issue. Over the weekend I took the opportunity to read through some of the statements that have been made by the Minister and by other participants in this debate. I noticed that the Minister's speech in the House was designed to reassure us and to try to cool out the issue.

In opening his remarks, he said he believed that we were closer together on this issue than the controversy would seem to suggest. Then he did what the Minister of State for Indian Affairs (Ms. Campbell) did, which was to read through a series of programs and post-secondary education guidelines. He then came to a point in his speech at which he said he did not believe that post-secondary education is a treaty right. When everyone who was listening to the debate felt that perhaps we were getting closer together, we ended up poles apart.

In his letter of March 20, 1989, the Minister clearly stated that he believes that references to education and to schools in the treaties could not refer to post-secondary education. He was making an absolutely unilateral interpretation of a treaty. As the Minister of State just suggested, that is where one of the problems lies in the debate concerning this issue. It is what relationship post-secondary education has to treaty rights and aboriginal rights. It is an issue which needs to be clearly negotiated and discussed between the natives involved and the Ministry.

As far as the Indians are concerned, the suggestion that post-secondary education is not a treaty right or an aboriginal right is dead wrong. Indians perceive post-secondary education funding to be a part of the obligation that has been established between Canada and the original owners of the country. They are as convinced of that as they are convinced of anything. For the Minister to state as he did in his letter, and as he repeated again in his speech on Friday, that he does not believe that the references in the treaties refer to post-secondary education is a beads and blankets approach to the interpretation of those treaties.

It is unfitting of a Minister in this day and age. It does not recognize the more modern treaties that have sought post-secondary education on the part of the participants in those treaties and agreements. The Minister seems to have gone back to the 1900s in order to get his interpretation of what the natives and the signatories to those treaties actually meant when they agreed to schools on reserves and to education provisions.

The Minister's statement ignores the spirit and the intent of the treaties which was to provide Indians of the day and, supposedly, future generations of Indians the same quality, the same type and the same access to education that was available to non-Indians throughout Canada. The Minister is attempting to freeze those treaties in time. Unfortunately, that creates a problem in the debate around native post-secondary education.

Around the time of the 1890s Ministers did not seem to have very much compunction about unilateral interpretation of provisions of treaties. Where treaties provided for education or schools on reserves, the Ministers of Indian Affairs during that time, as well as the Superintendents General of Indian Affairs, decided that they could re-jig that requirement in a treaty and provide for residential schools, in some cases hundreds of miles away from the reserves where the treaties required them to locate residential schools.

We all know from the reports of Superintendents General of Indian Affairs exactly what was the purpose of residential schools. The parliamentarians, the politicians and the administrators in the Department of Indian Affairs of the day felt that until they could remove Indian children from their culture, their family life, their communities and their language and deprive them of those three things, they would not be able to convert those Indian children into non-Indian children. That was the fundamental reason behind the residential school system. It was to take kids away from their parents and to destroy their family life and all of the cultural reinforcers that they had in their own communities in their own language on the reserve. It was to destroy their culture and try to mass produce them as white Indians.

The program was an abysmal failure. Fortunately, it was an abysmal failure from the point of view of those who wanted to foist the programs on the natives. It did not work in spite of the attempt to destroy culture among native students because the reinforcers were there. The parents constantly came back into the lives of their children. The language persisted. The concept of community, self-government, nationhood and ownership of land persisted, in spite of legislation passed in this assembly over the years to try to deprive Indians of those rights.

In spite of the residential school system, the culture of native groups persisted. That is a very positive failure, if I can put those two words together. The failure of the residential school system has allowed Indians of the day an idea of what their culture, self-government and languages are.

The residential school system was a unilateral interpretation by the federal Government and authorities of the Department of Indian Affairs as to how they could meet their obligations under the treaties that they had signed with Indians and Indian nations. When natives look to the recent unilateral interpretation by the Minister of Indian Affairs when he said that those references and treaties do not apply to post-secondary education, it is no wonder they suspect the motives of the Minister as being precisely the same as the Minister of Indian Affairs who set up the residential school system in opposition to the treaty provisions many, many years ago. They have a legitimate right to be suspicious of the Minister in his unilateral interpretation that those references in treaties do not apply to post-secondary education.

As the signatories of the day understood the treaties, they were to be living documents. They were not designed to freeze native Indians in time. They were not beads and blankets documents. They were designed as the basis of a continuing, growing and evolving relationship between Indian nations and the Canadian nation. They were designed as living documents to reflect the circumstances of the day. If it was appropriate in 1850, 1860 and 1870 to provide elementary or secondary education or schools on the reserves, then it is appropriate in interpreting those treaties today to understand them in a different set of circumstances. It is legitimate for natives in treaty areas to consider those references in treaties related to education and schools to refer just as accurately to post-secondary education as they referred to elementary and secondary education in previous times.

For the Minister to attempt to freeze those treaties back in the 1900s is unfitting of him. It is unfitting of the Government. There absolutely needs to be a process of interpreting treaties, especially as to what they mean in the current time today. There has to be some new type of agreement signed between the treaty nations and the Government to determine a process by which treaties are reviewed, by which they are brought up to date and by which their spirit and intentions are agreed upon in modern circumstances. Those things absolutely need to be done. What the Minister has done in his letter of March 20 is interpret and state his belief that the provisions in the treaty do not provide post-secondary education. He has done it unilaterally. He has no right to do it as a right of his office. He can only do it through a formal structure established between himself as a representative of this Government and the Indian nations.

• (1250)

When the Parliamentary Secretary to the Minister of Indian Affairs (Mrs. Dobbie) asks us if our Party believes that post-secondary education is a treaty right, it is not our Party which can state that. It is to be decided through a process of interpretation by the signatories of those treaties. It is an obligation. There has to be a forum established to do that in which the people who signed the treaties are represented equally, and where the decision gives equal representation to both sides involved in the signing of that treaty.

That issue has to be resolved. One of the major difficulties that the Minister has thrown in the path of resolving this problem, one of the major roadblocks created, is his firm and adamant statement that he does not believe that those treaty provisions relate to post-secondary education. He has created a problem that is going to be very difficult to negotiate.

I understand that some of the prairie treaty people and the Federation of Saskatchewan Indians are developing documents which will set up a process for interpreting treaties so that we can use them as living documents and make them apply to today's circumstances. Any reasonable person sitting down to interpret these treaties would agree that, while they may have referred to elementary or secondary education in the 1850s, they would certainly refer to higher levels of education now. Before the Minister makes any change in the post-secondary education financing programs of this Government, he has an obligation to put in place a method, a process, a forum for discussing how these treaties are to be interpreted. It is a key issue in this debate. It is an issue that treaty natives and natives across this country fear. If the Minister is allowed to interpret these issues unilaterally, as was done with the residential school system, it is going to mean a terrific amount of damage done to native communities.

The Associate Minister is from British Columbia. She is aware today of some of the serious problems that have been caused in native communities because of the residential school system. I suggest that she look at programs that are going on, for example, on the Cowichan reserve today and on reserves in the Shuswap area. The residential school system, by taking a whole generation of children away from their parents and their communities, has deprived those children of an understanding of family relationships, of how relationships occur between parents and children. It has contributed to a great deal of child abuse, sexual abuse, suicide on reserves. There is a whole generation of children who have grown up and become parents without a complete understanding of how families operate and interact.

Fortunately we are seeing native social workers who have gone through post-secondary education, native doctors and psychologists, native counsellors who have gone through and understand the system themselves. They are able to counsel and help these people to restore the family relationships that have been broken up by our residential school system. These communities are beginning to see the light at the end of the tunnel

where they can function as normal, healthy communities and families again. A terrific amount of damage has been done by unilateral interpretation of the provisions of the treaty. It is time to sit down with the natives of the treaty nations to develop a formula, a process, a forum for interpreting those treaties that give equal weight to the native view.

I questioned the Minister before on the human rights aspect of this case. Quite apart from the aboriginal rights or treaty rights, there is the human rights aspect of this case. Canada is not internationally acclaimed for the way it treats its minorities. It is not a shining example to other countries because of the way it treats its minorities. As Mr. Yalden referred to in the annual human rights report, the main embarrassment of this country is the way that we treat native Indians.

As I pointed out to the Associate Minister, when you see figures which indicate that 4 per cent of native students participate in post-secondary education, whereas the participation rate for the population as a whole is 27 per cent, it is a clear indication of racial bias in this program. There is a clear obligation on this House to correct that racial bias. How do we do it? We do it as many other countries have done and as this country has done on many occasions: through an affirmative action program. If there is a deficiency, if there is an inequity of participation rate of certain racial groups, that inequity must be eliminated. We have an obligation to do that.

I hear the objections that we do not have the money right now, that these are pretty tough times. I read that line in the Minister's speech last Friday. Well, these are tough times. I recall during the 1984 election campaign the Prime Minister of this country saying that we will go after equality for women when the economy turns around. I want to ask you, Madam Speaker, would Abraham Lincoln have been known as the great liberator if he had said: "We will free the slaves when the economy gets better"? This is unfit business for Canada. When the participation rate of native students is at 4 per cent and the participation rate of the population as a whole is 27 per cent, we have an obligation to redress as quickly as possible that glaring inequity. It is going to be pointed out by people across this country and around the world in describing the way that we treat our native citizens.

The difference here is a racial difference. There is a racial bias in access to post-secondary education in this country. That is something that we are obliged to correct immediately. If we are to retain our stature as a democracy in the western world, we must correct it immediately. You do not correct a problem like this by cutting funding, by limiting funding or even by using words and phrases in Minister's letters which suggest that funding is going to be limited. We know, your Alberta caucus knows, those in the Gallery know that when you talk about limiting funding, you are talking about reducing the flow of the participation rate of native students. That is precisely what you are talking about. You are talking about slowing down the program. That runs absolutely counter to what we should be doing as a country to make this a place that we can be proud of, where we practice racial equality rather than just preach it.

• (1300)

I strongly support the motion that was presented by the Liberal Party. I hope the members of the Alberta caucus of the Conservative Party will vote for it because they have expressed concerns about it. I hope they will be able to convince the balance of the Conservative caucus to support this motion unanimously.

Mrs. Dobbie: Madam Speaker, I am interested in the rhetoric and history, flawed as it might be, that we were subjected to by the Hon. Member for Comox—Alberni (Mr. Skelly). I must say that I believe the Hon. Member is talking through his hat. I take exception to some of his remarks because I believe they actually promote racism.

Let me point out that this program is one of the most reasonable and responsible in the world. For the Member's information, the funding in Canada for our 15,000 students is about four times what it is in the United States. In the United States, the budget is about $32.9 million for their 15,000 students enrolled in post-secondary education. Here in Canada, that budget is $130 million. Why is the Hon. Member trying to deny that this program is responsible, reasonable and fair?

Mr. Skelly (Comox—Alberni): Because it isn't, Madam Speaker. The Hon. Member compares our program with that in the United States. Maybe it is the goal on the Government side to harmonize our program with the United States. I hope that is not the case.

The question is not who does what and who does it better, the question is how much better do we have to do in order to achieve equity? When we are seeking equity in a democratic society, where we have the right of access to post-secondary education on an equal basis, not on a racial basis, we have to spend the money that is necessary to get that equity. That should be the objective.

The objective should not be to cut back access to the program or to delay equity, as the Minister suggested when he said: "Maybe we could talk about this over a 10 year period". People want equity now. People deserve equity now. They have been waiting for 120 years to get equity. Now there is a program in which they have an opportunity to achieve equity. But they know, I think you know, and we know they are not going to get that equity if you cut back on this program. You know it.

Ms. Campbell (Vancouver Centre): Madam Speaker, I was very amused by the Hon. Member's comment about harmonizing our policy. I hope he does not do too much damage to his tendons with all that knee-jerking. I suspect there will be a great deal more.

I want to associate myself with his remarks about the effect of the residential schools. I do not think there is any doubt that they have played havoc. While there are native people who say the schools worked for them, they certainly have been a serious impediment to the development of some of the social and familial strengths that native communities require. That is something we can certainly agree upon.

However, I want to comment on his remarks about the role of post-secondary education and the general educational situation. I suggest that our policy is certainly a very strong program of affirmative action. There are no other Canadians who have this assistance from the federal Government for post-secondary education. I reiterate that it is a policy to which the federal Government is deeply committed. The fact that our philosophic underpinning is not that of the treaty nations, that we do not see it as a treaty obligation, does not mean that we do not see it as a vitally important policy and important part of our desire to see native people assume their rightful role in Canadian society.

We must also recognize that when we look at the relative participation rates of native and non-native students in Canada, the difficulty is a reflection of problems before the post-secondary education level.

When we are dealing with the post-secondary program we are talking about students who have completed high school successfully and have met the entrance requirements for post-secondary institutions. There is another problem in Canada in getting native students to that level. That is not something which is the subject of this particular program. I think it is important to distinguish with regard to that problem, which I agree is serious.

There are initiatives in which the federal Government has been involved. I am grateful to see initiatives on the part of many provincial Governments to try to deal with it directly because it is their level of responsibility. The federal Government contracts with provincial Governments to obtain educational facilities for native students where the bands do not choose to have a band school.

It is a very difficult issue and one should not confuse the two. I certainly share with the Hon. Member a great deal of concern for the extent to which, even now, native students are not getting to that level of preparation. That is a continuing challenge for Canadian society, but not a basis on which to suggest there is a racial bias that is somehow reflected in this program. This program deals with those students who have made it this far. They are a source of great satisfaction to all Canadians.

Yes, their numbers are too small and that is an additional challenge for us, quite aside from this post-secondary program.

Mr. Skelly (Comox—Alberni): Madam Speaker, I am not sure if the Minister is admitting that the Government is not putting enough money into education programs at the elementary and secondary level as well, but I would agree with her if she is suggesting that. I hope that in her next meeting with the Minister she can persuade him to make sure more money and more resources are allocated to elementary and secondary education for native Indians as well so that even more people can be qualified to come through this program.

Not all of the complaints of native communities rest with the post-secondary program. A lot of the complaints rest with the elementary and secondary programs where their funding is now being attacked and underfunded by that ministry as well.

There are some serious problems at both ends of the schedule. By referring strictly to post-secondary education funding in this debate, we were only conforming with the motion that was put on the floor. If the Minister wishes to amend the motion so that we can discuss all aspects of Indian education funding, that would open it

up to perhaps four or five more opposition days. We would certainly be prepared to take part in that debate.

Mrs. Dobbie: Madam Speaker, I want to make a comment regarding some figures that the Hon. Member opposite quoted a few moments ago. He suggested that 27 per cent of all Canadians were enrolled in post-secondary education as opposed to 4 per cent of the native population. My figures are somewhat different. According to Statistics Canada data for 1987-88, 5 per cent of all Canadians are enrolled in post-secondary institutions and 3 per cent of Indians are enrolled in post-secondary institutions. That is a difference of 2 per cent, not 23 per cent as suggested by my hon. colleague opposite.

Second, the Hon. Member spent close to 10 minutes of his speech saying how he felt about treaty rights and so on, but he did not answer the essential question. The essential question is: Does the Hon. Member's Party recognize post-secondary education as a treaty right for Indians?

Mr. Skelly (Comox—Alberni): Madam Speaker, I did not consider it an essential question. During my speech I talked about whether our Party agrees with that. There is certainly no question that natives, especially in the treaty areas, believe that post-secondary education is a treaty right, and that is their interpretation of the treaty. The Government, on its side, has said through the words of the Minister of Indian Affairs and Northern Development (Mr. Cadieux), that it is not a treaty right, in his belief.

I said that rather than this Party stating whether it is or isn't, because we have no more right than you to interpret a treaty unilaterally, there should be a forum set up between native nations which have signed treaties with Canada and Canada to work out interpretations of the provisions of the treaties so that those interpretations reflect the circumstances of modern times. That is the position of this Member, and I am certain it would be the position of this Party as well.

• (1310)

Mr. Maurice Foster (Algoma): Madam Speaker, I am very happy to have an opportunity to join in the debate on my Party's motion concerning Indian education because I represent some 12 Indian bands across the Algoma Manitoulin district right from the Batchawana Band in Sault Ste Marie to the Wikwemikong Band on the eastern end of the Manitoulin Island. I do not think there is any issue on which we have received stronger representation in the last year and a half than the question of Indian post-secondary education.

I do think we have made remarkable progress in many aspects of Indian affairs over the last 15 or 20 years. However, there has been progress made in the field of education. Now a cap is being put on this funding when the problem has always been to provide support for education at the local level for those students who are successful in passing grade 12 or grade 13. It is hard to believe that the Government is capping that funding and capping it in this way.

Last week, chiefs, councillors, students and band members from most of the reserves in the Algoma-Manitoulin area attended the protest here on Parliament Hill. They were protesting this cap which is discouraging for those students who have been successful in completing grade 12 or grade 13. As well, it is discouraging for the students who are in secondary school. For example, I received a letter just last week from Kelly Esquimaux, a student at the Manitoulin Secondary School and a resident of the Sucker Creek Reserve on Manitoulin Island. She writes:

> I am writing to you in regard to the recent aboriginal education assistance cut-backs. I am a high school student at Manitoulin Secondary School and I will be attending college in the fall which means these cut-backs will be affecting me. As MP of my district, I was hoping you would be able to help me and my people fight these cut-backs. Prime Minister Mulroney is being very unfair. An agreement was made and now he is breaking it. Please help us. Thank you. Yours truly, Kelly Esquimaux.

I have received a number of letters like that, letters which portray the uncertainty and concern felt by students in post-secondary education institutions and those in high school at this time as well.

I received a letter from the United Chiefs and Councillors of the Manitoulin district, a district with some six Indian reserves. It is a long letter which outlines the whole problem with the capping of post-secondary education funding. This letter was written to the former Minister of Indian Affairs and Northern Development. In summary, it reads:

> We believe the Government is interested in cutting the deficit at the expense of the First Nations education. The Government should look at other means to decrease the deficit problem rather than at the expense of First Nations. Further, we conclude that your department is not committed to the education of First Nations as you previously stated. Mr. Minister, to proceed with your department's present course of action will undoubtedly eliminate forever any hope of establishing a trust relationship which is crucial and fundamental in creating a sound working environment.

That letter is signed by the six Chiefs of the First Nations of Manitoulin District.

This is a very important matter. It is one that cuts right across the entire district that I represent. A letter was sent to me by the social counsellor for the Garden River Indian Band located just outside of Sault Ste Marie. The letter points out that in 1976, when the control was under the Department of Indian Affairs and Northern Development, there were only 35 students from the Garden River Band attending high school and that year, there was only one graduate. Today, with the control under the responsibility of the Band Council and its education committee, there are 85 students attending high school in Sault Ste Marie. Usually 10 to 12 students graduate each year and on average, 12 to 14 students start in kindergarten. This speaks of the success Indian bands have been having. However, if 12 to 14 students are entering elementary school and 10 to 12 students are graduating, will that be the end of the road? Will those 12 or 14 students be able to go on to post-secondary institutions?

The letter points out as well that all of the students who graduated in the previous year are employed. These students attended and graduated from Sault College or colleges like Lake Superior State College. These people have been trained as child care workers, law and security people, civil engineers, nurses, business administrators, RNAs, heavy diesel mechanics, finance and sales managers, computer engineers and lab technicians. These people are all employed, and that is the crux of the argument. If the students do not go on to get a complete education which will help them secure jobs, will they be able to enter the workforce? Of course, these are the arguments that were made last week when the Assembly of First Nations held its protest here.

There were other concerns expressed by the Garden River Band social counsellor. She said that her concerns are three-fold. Maintenance rates have been reduced for single students and single students with dependants. Tuition assistance for students attending foreign and private institutions has been reduced. The maximum length of assistance has been reduced from 96 student months to 48 student months. She goes on to point out that many of the students from the Garden River Reserve attend Algoma College or Sault College in Sault Ste Marie, but five students are in second year at Lake Superior State College which is just across the river in Sault, Michigan, and two are in their first year. For these students, tuition support will be cut off by up to $900 per year. She points out that already, some students have to supplement their books and supplies by up to $200 in United States funds per year.

I am sure that measure was taken because the Department was thinking that students can get training at the University of Toronto rather than some university in the United States and why should we pay for that additional tuition. However, the practical results are that students in Sault Ste Marie, rather than being able to commute back and forth to Lake Superior State College in Sault, Michigan, will not be able to do so because of the cut-backs in funding of tuition and supplies for those attending foreign colleges.

These are some of the concerns which are being expressed to me and I hope that the Government will be prepared to lift the cap that has been proposed on post-secondary education. It should be left the way it has been in the past. A notional amount has been put in the Estimates and if the number of students applying for assistance were to go beyond that, the Department would go back to the Treasury Board to get additional funds. We are talking here about the future of literally thousands of students who have grown up with the least opportunities. Those who have struggled through the system and graduated from high school to prepare themselves to go on to university should not be denied that opportunity. I do not know the exact numbers. I am told that something in the range of 2,000 would qualify. If they qualify, it is not a cost to the Government now, but rather an investment in the future to ensure that these students will have a productive job and a productive lifestyle and will not be a burden on the state in the years to come because they have been able to receive that extra training at college or university.

• (1320)

I hope that the Government recognizes the wisdom in the recommendation in the statement which is before the House today, and puts a moratorium on the capping of the budget for post-secondary education. In the long run not only will the Government be doing the best thing, but it will be doing the proper thing for these students who will not be denied an opportunity to go on and take post-secondary education, not only this fall but in the years ahead.

With your permission, Madam Speaker, I will call it one o'clock.

The Acting Speaker (Mrs. Champagne): When we resume after Question Period there will be eight minutes in which the Hon. Member can complete his presentation.

It being 1.22 p.m. I do now leave the chair until two o'clock this day.

At 1.22 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

ARMENIA

TRAGIC HISTORICAL EVENTS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I would like to remind the House that today, April 24, is the seventy-fourth anniversary of the first genocide of the twentieth century, when 1,500,000 Armenians were massacred by the Turkish-Ottoman Governments between 1915 and 1922. This crime against humanity must not be forgotten and must remain etched in our collective memory. Otherwise, this horrible crime may be repeated in other countries of the world. In 1939, Adolf Hitler asked: After all, who today remembers the Armenian genocide? The answer, Mr. Speaker, is that we do!

* * *

HUMAN LIFE

IMPORTANCE OF ORGAN DONATIONS

Mr. Jacques Vien (Laurentides): Mr. Speaker, we take the opportunity to remind Hon. Members of this House that this week, April 23-29, is Organ Donor Awareness Week. The Department of National Health and Welfare is co-operating with various voluntary and professional organizations to inform the public and health professionals of the benefits of organ and tissue donations and transplants. They encourage families to discuss organ donation and to make a decision before a tragedy occurs and health professionals to reflect on how they participate in the organ donation process.

We ask you to think about organ donation and to sign a donor card or the designated part of your driver's licence if you have not already done so. Talk about it with your family, your friends, your constituents and your colleagues and ask them to follow your example. By so doing, you will be giving or encouraging others to give the most precious gift of all, the gift of life.

* * *

[*English*]

MULTICULTURALISM

CONTRIBUTION OF ARMENIANS

Ms. Barbara Greene (Don Valley North): In the course of my work I am always struck that people of many and diverse origins view Canada as a land of opportunity and Canadians as a people who are committed to freedom and democracy. Most important, we are seen as a county whose strength and vitality have their roots in Canada's multicultural reality. Canada is a home to people, cultures and traditions from around the world.

Many Canadians, including those of Armenian origin, came to this country to escape injustice. They have made a valued contribution to the political, social and economic fabric of Canada.

Today as our Armenian Canadians commemorate tragic events, including the 1915 genocide experienced elsewhere, we salute their efforts as Canadians, to ensure that future generations are spared the denial of human rights they suffered in other countries, in other times. Together we are working to shape a nation that is strong, self-confident and caring, a nation that looks forward to an even brighter and more promising future for all of us who live together in our unique and multicultural traditions.

[*Translation*]

EMPLOYMENT

STUDENT SUMMER EMPLOYMENT PROGRAM—BUDGET CUT-BACKS

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to condemn the attitude of the Conservative Government which this year cut 46 per cent in financing for the summer employment program for students. Funding has declined from $2,487,610 last year to $1,343,710 this year, and that is just for the area between St. Albert and Pembroke, in Ontario, which also includes the riding of Carleton—Gloucester.

Mr. Boudria: And Glengarry—Prescott—Russell!

[*English*]

Because of the exceptional reduction in the grants given to Challenge 89, close to 1,000 students will have trouble saving enough money for their studies in the fall.

Some Hon. Members: Shame, shame!

Mr. Bellemare: Must the students pay for the defeat of the Conservatives in the Ottawa area?

* * *

HOUSING

EXPANSION OF HOME-BUYING OPPORTUNITIES

Mr. Stan Wilbee (Delta): The budgetary constraints in which the Government finds itself call for innovative ways to alleviate the housing crisis in Canada. One of the ways this could be done is to allow the use of retirement funds for home purchases. Under current regulations, many low, and middle-income first time buyers are denied access to RRSP funds for home purchases, while individuals with large RRSP holdings are able to make this kind of investment. By relaxing the barriers which prevent the investment of less than $25,000 in RRSP money in a principal residence, including eliminating insurance requirements on retirement- based mortgages, we can give home buying opportunities to many more young families. Expanding regulations that allow the investment of employer contributing or administered pension plans would also serve to open up a very tight housing market. Allowing Canadians to invest in their own futures is a sound idea, one that would not require any additional tax expenditures. This makes the plan preferable to RHOSPs or other tax deferred plans. This is a bold idea, but it is a new idea we will have to explore in order to solve the present housing crunch.

* * *

STATUS OF WOMEN

FUNDING OF REAL WOMEN'S ORGANIZATION

Ms. Dawn Black (New Westminster—Burnaby): This past weekend the Government sponsored a conference for REAL Women. The Secretary of State (Mr. Weiner) has said that this group meets the women's program criteria for funding.

The criteria do not include bashing the female Supreme Court Justices. They do not include spreading lies and hatred about lesbians and gays. They do not include absolutely ridiculous seminars on how children in day care will all become psychopaths. It does not include raving about pre-marital sex.

The criteria do state that the project should deal with how barriers to women's equality should be addressed. This conference denied that any barriers exist.

Women's program officials have told equality seeking women's groups that their funding could be cut by up to 65 per cent in the coming budget.

This Government is funding anti-child care, anti-employment equity groups, and cutting back on equality-seeking women's groups. This clearly represents the Government's true agenda for women. It is a back-to-the-kitchen agenda.

* * *

[*Translation*]

ARMENIA

TRAGIC HISTORICAL EVENTS

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, as the Member for Ahuntsic, I would like to remind Canadians of the seventy-fourth anniversary of a tragedy that the conscience of the world cannot ignore. Mr. Speaker, I am referring to the tragic events involving the valiant and courageous Armenian people, who are still struggling for recognition of their lawful rights. Today, Canadians of Armenian descent mourn their dead. In silence, I pray with them that such events may never be repeated.

SIRDCES TZEZI HÈD È

(Wish all my heart, I am with you!)

S. O. 31

[*English*]

ENVIRONMENTAL AFFAIRS

VALDEZ OIL SPILL

Hon. Chas. L. Caccia (Davenport): In the April 8 issue of *The Economist*, you will find the following on the Exxon Valdez oil spill:

> Do not be taken in by oil company promises that opening the Arctic National Wildlife Refuge to oil exploration will never harm the 170,000 cariboo that go there to calve. Oil deserves to be found and pumped out if, and only if, it can be sold at a price that covers the cost of appropriate environmental safeguards, by a company with a powerful incentive to keep those safeguards working.
>
> Modern business diffuses personal responsibility too rapidly. If you fine an oil-spilling company 10 times the value of the spilt oil, its insurance rates merely go up. Directors and employees of companies which profit from things that are very unlikely to turn very unpleasant should be personally exposed to fear of these unpleasantnesses. They should lose their jobs when the 'impossible' happens just as the president of Japan Airlines quit when an aging jet crashed. That sense of personal responsibility would do much to keep the safety drills slick, the captain sober, the otters swimming.

Even *The Economist* is turning green!

* * *

ARMENIA

CALL FOR INDEPENDENCE

Mr. Bill Attewell (Markham): It is now 74 years since the horrific genocide in 1915, when at least 1.5 million Armenians were massacred. Armenians in Canada, and in other countries around the world, are still waiting for Governments to officially recognize that the genocide did, indeed, occur. In February, 1988 over 30 Armenians were killed while peacefully demonstrating in the City of Sumgait. Last month I visited Soviet Armenia to talk to Armenians who survived the devastating earthquake which occurred on December 7, 1988. Between 50,000 and 100,000 Armenians lost their lives as a result of this earthquake. Despite these historic tragedies, Armenians around the world continue to dream of a free and independent Armenia. Nothing will deter Armenians from this dream of rebirth. Nothing will crush their spirits or their souls.

• (1410)

ARMENIA

CALL FOR RECOGNITION OF ARMENIAN GENOCIDE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, today marks the commemoration of the seventy-fourth anniversary of the Armenian genocide as the Hon. Member just noted.

In the period of 1915 to 1923 over one million Armenians were killed and millions of others were driven from their homeland by the Turkish-Ottoman Governments. This certainly represents one of the saddest chapters in the history of the 20th century.

The international community has often been slow to recognize such realities and Canadian Governments over the years have been no different. The time has come for the Canadian Government to recognize and condemn the Armenian genocide, to urge the Government of Turkey to do likewise and to provide redress to the Armenian community.

I know that I join with many other Canadians in noting the importance of recognizing the Armenian genocide and other events, both past and present, in which minority peoples are oppressed and persecuted. To remember such things, as Canada should in a regular way on April 24, is to keep hope alive that some day the earth will be rid of such injustices.

* * *

CANADIAN NATIONAL RAILWAYS

POSSIBLE RAIL LINE ABANDONMENT ON P.E.I.

Mr. George Proud (Hillsborough): Mr. Speaker, once again the Prince Edward Island way of life has been threatened by the federal Government. As we speak, hearings regarding railway abandonment on Prince Edward Island are taking place in Charlottetown. This time it is the operations at the Kensington and Borden subdivisions that are being threatened.

CNR has deliberately downgraded the railway system on Prince Edward Island, with abandonment as the final goal. Now that we have almost reached this stage, what is being done to replace the present system? Nothing. The federal Government has left the province responsible for upgrading the highways. The provincial Government cannot afford to complete this task, especially with all of the cut-backs that we hear will be announced in Thursday's Budget speech.

What about the employees and their families who will be affected? Many have lived and raised their families on P.E.I. for many years. They have given the better part of their lives to CN, but the compensation package they will receive from CN is grossly inadequate.

Given this, I call on the Government to ensure that the province is adequately compensated and that the affected employees and their families will be taken care of by CN.

* * *

HEALTH

ORGAN DONOR AWARENESS WEEK

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, this week is National Organ Donor Awareness Week. The Department of National Health and Welfare is joining professional and voluntary health organizations in activities to heighten public and health professional awareness of the benefits of organ and tissue donation and transplantation.

Families are encouraged to discuss and make a decision about organ donation before a tragedy occurs. Health professionals are urged to examine how they may participate in the organ donation process.

You are invited to consider organ donation and to sign a donor card or the consent portion of your driver's licence if you have not already done so. Discuss your decision with family, friends, constituents and professional colleagues and ask them to follow your example. By doing so you will be giving or encouraging others to give the most precious gift of all, the gift of life.

* * *

PENSIONS

INDEXATION OF CN AND CP PENSIONS

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, the Canadian Pacific Pensioners National Council held their annual convention this past Friday here in Ottawa. This organization represents CP pensioners from across the country. The focus of this year's meeting was the plight that many of the CP pensioners are in. This plight of the CP pensioners, which is very similar to the problems of the CN pensioners, is due in large part to their having no adequate indexation of their pensions. Because of this there are CP and CN pensioners across the country living in poverty.

How can this Government allow this to happen when these Canadians have contributed so much to the building of this nation? Surely this Government, which pays so much attention to enlarging or ensuring the large profits of major corporations, can also ensure that pensioners receive adequate indexation of their pensions. I call upon the Government to act quickly on behalf of CP and CN pensioners to right this wrong.

* * *

ARMENIA

RECOGNITION OF ARMENIAN GENOCIDE URGED

Mr. Sergio Marchi (York West): Mr. Speaker, it was a pleasure for me together with my Liberal colleagues and, indeed, Members from all sides of the House, to gather at 12.30 p.m. at the foot of this great parliamentary institution to join with 2,000 Canadians of Armenian descent. They are here not only to remind us of the purge of the evil, the genocide, that happened to their brothers and sisters some 74 years ago, but also to be vigilant, to send forth a message from Parliament Hill to reach all corners of the world where human rights and human dignity are stepped on, that at least Canada, morally and ethically, will stand up to say that that is wrong and that it recognizes it. Two thousand people were outside. There were 2,000 people last year and the year before, but we need to go further than simply having those people come to our institution to remind us to recognize it.

• (1415)

I believe, Mr. Speaker, that there is an emerging consensus on all sides of the House for this Parliament to stand up and boldly recognize an evil for what it was. I believe there is a consensus to have the Secretary of State for External Affairs Minister (Mr. Clark) and this Prime Minister (Mr. Mulroney) move on the promise that they made in 1984 to move through the United Nations and mobilize international leadership and international opinion, because it is not weakness to recognize what has happened, it is strength.

I urge this Government to pick up the pieces and to coalesce the emerging feeling that all Members share on this issue. Let us stand up. Let us pass a resolution through the House of Commons and let that set the tone and example for other Governments and other countries around the globe.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ELECTION IN NEWFOUNDLAND

MINISTER'S STATEMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns unacceptable statements, in fact, a threat made by the Minister for International Trade regarding the result of last Thursday's election in Newfoudland and Labrador.

The Deputy Prime Minister knows that the people of Newfoundland and Labrador exercised their democratic right to elect a Government of their choice, and their choice was the Liberal Party led by Clyde Wells last Thursday.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I know the Prime Minister has already extended his congratulations to Mr. Wells. Is the Deputy Prime Minister aware or does he approve of the following statement made by the Member for St. John's West, Newfoundland's sole representative in the federal Cabinet, and I quote: "We'll play ball with them if they play ball with us. However, if they want to re-open old issues like Meech Lake and so on, then we will have to reassess the situation."

That is the Member for St. John's West speaking in Florida, one day after the Newfoundland election.

Ms. Campbell (S.W. Nova): In Florida?

Some Hon Members: Oh, oh!

Mr. Tobin: Now I ask the Deputy Prime Minister whether or not he will give Newfoundlanders and Labradorians an absolute commitment today that threats or blackmail have no place in the relationships between the federal Government and any newly elected Government of any province in Canada? May we have that assurance today?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, indeed the people of Newfoundland did exercise their democratic right and we will certainly respect that right and abide by it.

The point the Hon. Member makes is rather interesting. It seems that he wants to continue the provincial election campaign here on the floor of the House of Commons.

An Hon. Member: What about in Florida?

Mr. Mazankowski: I want to assure the Hon. Member and all the people of Newfoundland that it will be business as usual. We will exercise our responsibilities in carrying out national policy and national programs that will be good for all of Canada and good for the people of Newfoundland. I think, as the Hon. Member knows, that federalism is a two-way street, and we hope and expect that the Government of Newfoundland will co-operate in working with the federal Government to make it better for the people of Newfoundland and all regions of Canada.

Mr. Tobin: I hope that the Member for St. John's West is tuned in from Florida and that he will accept the gentle chastisement just offered him by the Deputy Prime Minister, Mr. Speaker.

Some Hon. Members: Oh, oh!

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ENERGY

HIBERNIA AGREEMENT—QUERY REGARDING GOVERNMENT'S CONTINUED SUPPORT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I am prepared to take the Deputy Prime Minister at his word. Indeed, the election should be over and it is back to business, to use the Deputy Prime Minister's words,"as usual".

During last fall's federal electoral effort the Prime Minister said: "Our promises are all within Michael Wilson's fiscal framework. Every nickel has been accounted for." In January, after that said electoral effort, the Prime Minister said: "We are expecting difficulty on the fiscal side."

I want to ask the Deputy Prime Minister today whether or not the Government of Canada stands behind the $17 billion in promises made both before and during the federal election campaign.

• (1420)

Specifically, will the Deputy Prime Minister tell the House today, and through the House the people of Newfoundland and Labrador, that the Government of Canada stands behind the Hibernia agreement announced last July in St. Johns, Newfoundland, by the Prime Minister of Canada and by the former Premier of Newfoundland and Labrador? Will he give us the assurance today that it is business as usual?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to tell the Hon. Member that we do not accept the $17 billion figure that he put forward in the preamble to his question. That was a figure used by the Liberal Party, and not one accepted by the Government.

On the more substantive part of the question, I want to say to the Hon. Member, to all Hon. Members, and to all the citizens of Newfoundland and Labrador that the Hibernia project was a project and that is a project which the Government believes is important, both for the national interest as well as for Newfoundland and Labrador. It was not constructed on a partisan basis. It has not changed because there was an election in Newfoundland.

The federal Government intends to proceed, as we have stated before, on our obligations on Hibernia. We would expect the Newfoundland Government to do the same.

REQUEST FOR FEDERAL REASSURANCE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I get awfully worried when I hear a Minister say the Hibernia project "was a project that is a project," and was a project that we are standing behind. It frightens the daylights out of me.

Let me put my question clearly. Last July, in St. Johns, Newfoundland, the Prime Minister of Canada, the Premier of Newfoundland, and the Minister representing Newfoundland in the federal Cabinet, announced that the Hibernia deal was done, the Hibernia project was going to go ahead, the federal Government was putting the federal Treasury behind the project, and that a legally binding agreement would be signed by March 31. It is now April 24 and there is no legally binding agreement.

I ask the Minister of Energy again, will he stand in the House today and say, days in advance of the federal Budget, that the Hibernia project is a go, that the federal Government is not backing away, and that the Government is prepared to sit down to discuss with the new Liberal Government in Newfoundland the details of that project, including the royalty regime for Newfoundland which is one of the worst in Canada's history?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member says that I scare the daylights out of him. That is not a great achievement. There is not a lot of daylight to scare out of him.

Some Hon. Members: Hear, hear!

Mr. Tobin: That is the difference between you and me. You are all daylight, Jake. You have daylight between your ears—I do not.

Mr. Wilson (Etobicoke Centre): This is a matter of judgment.

Mr. Epp: Judgment has not been something with which he has been associated.

As I said in my first answer with respect to whether or not the Government of Canada is obligated to the Hibernia project, the answer is yes. I hope and expect that the present Government of Newfoundland when it takes office will be obligated also to the Hibernia project.

There is a concept of parliamentary democracy, namely, that one takes the responsibility which previous Governments have signed in good faith. I expect the Government of Newfoundland also to follow that tradition, that precedent.

What I am also saying to the Hon. Member is this. Prior to the Newfoundland election I put before the House the issue of the legal requirements which will be completed some time in the autumn of this year, and the fact that we had to test the financial markets. I have put that forward very clearly. In terms of the design, I have put that in front of the House.

What I do expect from Newfoundland, and from the Hon. Member, is support for Hibernia, rather than the question that has come from that side of the House on Hibernia and not this side.

* * *

THE CONSTITUTION

MEECH LAKE ACCORD—RELATIONS BETWEEN NEWFOUNDLAND AND FEDERAL GOVERNMENT

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the day after the Liberals formed the Government of Newfoundland and Labrador the new Premier, in response to a question put by the press, said that he would like to see some changes to the Meech Lake Accord. From the everglades of Florida a cabinet Minister, speaking on behalf of the Government, emerged like a crocodile from the mud and threw a threat at the new Liberal Government in Newfoundland.

Some Hon. Members: Shame!

Mr. Baker: What did the Minister mean when he said, speaking on behalf of the Government: "We will play ball with them if they play ball with us. But if they want to reopen the Meech Lake issue, we will have to reassess the situation"?

What kind of ball was the Minister for International Trade referring to, speaking from Florida? Was it beach-ball, or is this hardball, which is not fair ball to the people of Newfoundland and Labrador?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we may want to entertain a statement on Motions from the Hon. Member so that he can clarify his position and the position of the federal Liberal Party with respect to Meech Lake.

Some Hon. Members: Hear, hear!

Mr. Tobin: We are talking about blackmail. Do you know what blackmail means?

Mr. Mazankowski: The Hon. Member earlier said: "Are you going to keep your word?" I ask them are they going to keep their word with respect to Meech Lake?

Some Hon. Members: Hear, hear!

POSITION OF MINISTER

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, today in Newfoundland we are awaiting the signature of this Government on four regional economic development agreements which should have been signed last month. We are awaiting the transfer of $800 million compensation for the closure of our railway. We are awaiting the economic agreement on Hibernia. The list goes on.

At this crucial moment when these economic agreements are being reviewed, and when other provinces have exactly the same position as the Premier of Newfoundland has on the Meech Lake Accord, why is the Prime Minister allowing a Minister of the Government to bully Newfoundland? Is this punishment for Newfoundland tossing out the PC Government?

PC stands for *passé composé* in Newfoundland. This Government is going to be *decomposé* if it keeps threatening us like this.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I always thought that PC stood for perfect Canadian, and we have a great many of them over here.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, I should welcome the Hon. Member back. We missed his colour and his excitement. We hope that he will be with us for a little while because it looks like we are going to have some interesting times.

As I said earlier, federalism is a two-way street. We intend to uphold our responsibilities and obligations. We hope that the new Premier of Newfoundland will do likewise.

Some Hon. Members: Hear, hear!

* * *

THE ECONOMY

FORTHCOMING BUDGET—MINISTER'S STATEMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. On the weekend in Ottawa the Minister was threatening once again to impose a Conservative view of fairness on the whole of the country when he said that in the coming Budget, when it comes to tax increases and cut-backs in programs, Canadians could expect the Government to be fair.

Considering that he said the same thing in 1984, not long before he brought in his subsequent Budget, a Budget that increased taxes on the poor by 60 per cent, increased taxes on the average family by 17 per cent, and reduced taxes on the rich by 6 per cent, will the Minister of Finance guarantee Canadians that Thursday's Budget will not be a repetition of that concept of fairness?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is referring to comments that I made on a television program over the weekend wherein I was making the observation that the federal Government debt is at very high levels and that the problem must be addressed. I would expect that he also would agree that it must be addressed. It is not a partisan issue. It is not an ideological issue. It is pure arithmetic that leads to the obvious conclusion that something must be done about it.

On that same program I made the point that we are going to be very sensitive to the ability of people to support that effort of getting the deficit down. We would expect that the broad range of economic policies, including getting control of the government debt, will lead to the same sort of economic performance that we had over the last four years, which the Hon. Member continues to ignore, yet there it is staring him right in the face.

Some 1.5 million jobs were created since September, 1984. That is the program that we want to continue over the next four years.

• (1430)

INTEREST RATE INCREASES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government has sanctioned, because it has done nothing to the contrary, the continual increases in the interest rates that the Bank of Canada has imposed on the people of Canada. The last time we saw this kind of steady escalation, as the Minister will recall when he was on this side of the House, was the early eighties which led to the most serious recession in Canada in the post-war period.

Since the Government has stood back, watched and actually supported this action by the Bank of Canada, does the Minister not at least fear that his Budget, which he has said is going to provide us with tax increases and program cuts, combined with a high interest rate policy, could be just enough to tip this country into a serious recession once again?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not as a country in a position where we can ignore the debt problem that has grown up over the past 20 years. It is something that must be dealt with.

The Hon. Member refers to the interest rate problem. He is pointing to a symptom of the problem, not the cause of the problem. The cause of the problem is inflation and an economy that is growing faster than the capacity of the economy to handle.

What we would expect as a result of this Budget is that we would put a better balance between the monetary policy of the Bank of Canada and the fiscal policy of the Government of Canada so that we can see some opportunity for interest rates to come down. That is the objective that we are following in this Budget.

[*Translation*]

ALLEGED CONTRADICTION OF MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I agree there should be a balance. However, the Bank of Canada has continued to raise interest rates, while on the weekend, the Minister of Finance himself suggested raising taxes and cutting expenditures. That's no balance. It's a contradiction. Once again, with developments like this in an economy that is beset by problems, shouldn't the Minister of Finance be concerned about the fact that this approach might start a recession?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the problems of the economy are clearly a concern of the Minister of Finance. The problem of inflation is going to be a fundamental objective that we will be addressing in this Budget, which is something that I have talked about on a number of occasions in this House.

The Hon. Member points back to 1982. If he thinks back to what he is saying about 1982, the previous Government ignored the problem of inflation, swept the problem of inflation under the carpet and let the—

An Hon. Member: Remember the 6 and 5 program.

Mr. Wilson (Etobicoke): No, 6 and 5 came after the recession, I remind the Hon. Member. It was the problems that the previous Government swept under the carpet before the recession which led to the high rates of inflation. The high rates of inflation led directly to the high interest rates, and those high interest rates were what absolutely destroyed the economy in 1982. We on this side of the House have the sense to learn from past mistakes so we can avoid the problems of 1982.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF STATE

Mr. Speaker: I would like to bring to the Members' attention the presence in the gallery of the Hon. Dr. Terry Huberts, Minister of State for Vancouver Island Coast and North Coast and Minister responsible for Parks in the Province of British Columbia.

Some Hon. Members: Hear, hear!

[*Translation*]

MINORITIES

GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Conservative Government is clearly developing a tendency to indulge in arm twisting. It has a team of bouncers to take care of the provinces. The Minister for International Trade blackmailed Newfoundland a few weeks ago, and in Manitoba, the Secretary of State was putting pressure on the Francophone minority by promising federal grants in exchange for support for Meech Lake. Will the Prime Minister or the Deputy Prime Minister demand that the Secretary of State extend an official apology, since he should not be blackmailing the minorities of this country?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I had a very successful meeting with the Société franco-manitobaine. We discussed many subjects, and there was certainly no pressure on any aspect. The only reason I was there was to promote our linguistic duality and to support official-language minority communities.

Mr. Gauthier: Mr. Speaker, that isn't what the notes tell us, but let's leave—

[*English*]

REQUEST FOR FEDERAL-PROVINCIAL CONFERENCE ON MINORITY LANGUAGE RIGHTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I want to direct a supplementary to that same Minister. He said lately that "Within the English community in Québec, there is a feeling of frustration, a feeling of isolation". In his report the Commissioner of Official Languages also states the same thing.

Many people in this country cannot have their children educated in their own language, cannot go to courts in their own language, and cannot communicate in their own language. It is time for action. I ask the Minister will he comply or will he at least meet the requirements of the day and have a federal-provincial conference called immediately to look at and study attentively the problems of minority language rights in this country?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I had an excellent meeting last Friday with the Commissioner of Official Languages, Mr. Fortier; who has brought forward many good recommendations. I have asked a number of my officials to give me a very immediate review of those recommendations to see how some of them can be best implemented.

We understand that this is a very sensitive issue. It takes principled leadership and a serene and respectful manner. Both communities, the Anglophone community in Québec, and the majority Francophone community in Québec very much are saying the same things. What we are trying to do is to find opportunities for more dialogue, opportunities to give both communities sustenance and to make sure that they both understand that this is what our distinct society is all about.

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HOUSING

COST OF HOME OWNERSHIP

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of State for Housing. Today Canadians are dismayed about whether the Minister's priorities have changed since he became Minister. In a Toronto newspaper today, the Minister made the outrageous statement that Canadians can no longer assume that 30 per cent of their income will get them reasonable accommodation.

It was not long ago that the Minister could be counted on as someone who was willing to stand up for the Canadian dream of owning a home. Now it turns out that the Minister will be remembered as the person who sold it out.

My question is this. Why is the Minister now telling Canadians that they have to abandon the great national dream of owning their own home unless they are prepared to pay more than 30 per cent of their income towards the cost of putting a roof over their heads? Doesn't this Government have any heart left?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I know the Hon. Member has been reading the newspapers. I hope that he will try to read them a little more carefully than he appears to have done this time. Certainly no one is telling the Canadian people that the dream of owning a home has come to an end, certainly not me and certainly not the Government. Our goal is to try to make sure that every Canadian does have a roof over his or her head and a roof that is affordable to them.

The indication that the Hon. Member refers to in the press today was aimed at just dealing with the facts of life as they are in the country at the moment. Many, many people, as the Hon. Member knows, pay more than 30 per cent of their income towards the cost of housing. I want that to come down. So does the Government. That is what we are aiming to try our best to do.

HOUSING CO-OPERATIVES

Mr. Joe Fontana (London East): The reality of the situation is this. Does the Minister not know that people in Vancouver, in Toronto, in London and other cities across this great country have to go to food banks because more than half of their total income has to go towards rents?

The Minister says that everybody is getting squeezed by the Budget. If the poorest people in this country are squeezed any harder they will not stand a chance of ever getting back on their feet. Will the Government fight the deficit solely on the backs of the poor?

• (1440)

Does the Minister plan to cut housing co-operatives and social projects, and leave the families who live in them to fend for themselves?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, obviously the Hon. Member and all Members of the House will have to await the Budget on Thursday before we know, before I know, before everyone knows exactly what are the terms of the Budget.

I can assure the Hon. Member that this Government and this Minister will do everything they possibly can to assist Canadians to have housing that is affordable to them.

* * *

THE ECONOMY

REQUEST THAT BANK OF CANADA ROLL BACK INTEREST RATES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. I am sure you are aware, like everyone in the country, that the Budget on Thursday will bring about tax increases and program cuts for ordinary Canadians.

Since interest rates in this country are now more than 3 per cent higher than those in the United States, instead of raising taxes for ordinary people and cutting back on programs for ordinary people, when will the Minister tell the Governor of the Bank of Canada, John Crow, that the time has come to roll back interest rates so they are at least on a level that is near the rate in the United States?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is getting quite selective. If he looks at the market rates of interest he will see that they are in the 2 per cent to 2-1/4 per cent range, not the 3 per cent range he has indicated.

The substance of his question is that the Governor of the Bank of Canada should just roll back interest rates. I ask him to consider how the Governor of the Bank of Canada would do that. The way I suggest he would do that is to print money. We all know that printing money leads to inflation, more inflation leads to higher interest rates, and that is exactly what we are trying to avoid.

We are trying to avoid the problems we got into in 1981 and 1982 when inflation ran at 13 per cent and led to 22 per cent and 23 per cent interest rates at the time.

Surely the Hon. Member would like us to learn from mistakes of the past.

INTEREST RATE FORECASTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister talks about mistakes of the past. I remember very well the Budget last year when the Minister forecast interest rates in this country of 7.8 per cent for 1989. The interest rate is some 5 per cent higher, adding billions of dollars to the interest payments on the national debt.

Mr. Speaker, will the Minister of Finance tell us what guarantee we have that his forecast will be any more accurate this year than it was last year, or can we expect another multi-billion dollar mistake to be paid for by ordinary Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, over the past four years since we have been in office I think the record of the Government in making projections on the level of the deficit and the level of economic growth and of interest rates has been as good as any Government in many, many years.

If the Hon. Member wants to go back and look at what the consensus of private sector forecasters has been over the same four-year period, recognizing that forecasts are

made for the future and are sometimes hard to predict, the record of this Government is better than the consensus of private sector forecasters during the four years we have been in office.

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TAXATION

PROPOSED NATIONAL SALES TAX – ROLE OF PROVINCES

Mr. Bill Attewell (Markham): Mr. Speaker, my question is directed to the Minister of Finance. Without the co-operation of his provincial counterparts, a fair and equitable national sales tax may never see the light of the day. Some Premiers have been highly critical of a national sales tax program.

I understand that the Minister met with his provincial colleagues recently. Could he tell us if he has made any progress? Will he have the co-operation to ensure that all Canadians will be part of a fair national sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, a national sales tax is quite a complex undertaking. As he said, we have had consultations with the Finance Ministers of the provinces for about two years now. We have thoroughly assessed the issues that are exposed in the analysis of a national sales tax.

I think there is a very clear understanding of the urgent need for the federal Government to reform the federal sales tax a hidden tax which is very destructive in the economy today.

I have tried to assess the urgency, the commitment of the provinces to changing their sales tax and I have to say that at this point in time I think a national sales tax is out of reach. However, I do believe that it is essential that the federal Government move ahead with its sales tax reforms so I have advised my colleagues in the provincial Governments this morning of our desire to proceed with federal sales tax reform and acknowledged the very great commitment that they made to the national sales tax objective. Unfortunately, however, that is out of reach at this point in time.

TRADE

SOFTWOOD LUMBER EXPORT TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, in the absence of the Minister for International Trade I will direct my question to the Secretary of State for External Affairs. It concerns the softwood lumber export tax.

Last Friday afternoon the G.W. Martin Company in Sault Ste. Marie and Searchmont laid off some 300 workers, and another couple of hundred are being laid off in the bush operations. This brings to over 1,300 the number of workers who have been laid off since the Government imposed the export tax on January 1, 1987. This company complained that it had spent over $1 million on export tax and was shutting down because of losses in the operation of these two mills.

Can the Minister tell these laid-off workers exactly what action the Government plans to take to provide some relief to them for the loss of jobs and the losses to the communities throughout northern Ontario?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, everyone is aware of the critical situation in which the solid wood producers find themselves in the present circumstances, particularly here in Ontario.

There are a number of factors, only one of which concerns the softwood lumber tax. There is no doubt that the Province of Ontario, which has benefited from this tax immensely, has flexibility that, if properly managed, could offer some relief to those who are the worst affected. An industry that is investing in the current year roughly $6 billion in expansion, that is the industry in total, is hardly one that is in dire straits.

Mr. Foster: Mr. Speaker, I can assure you that these employees who have been laid off are in dire straits, as are many other workers in northern Ontario.

REQUEST THAT TAX AGREEMENT BE RENEGOTIATED

Mr. Maurice Foster (Algoma): Mr. Speaker, why does the Government of Canada steadfastly refuse to renegotiate and eliminate this export tax? There is a solid provision in the Memorandum of Understanding, under Section 8, to renegotiate the tax if circumstances have changed. Clearly, circumstances have changed in northern Ontario. Companies are going broke, workers are being laid off, plants are being shut down, and whole communities are being shut down because of this tax.

Surely that is reason enough to go to the Americans to renegotiate this? If they refuse, then there is provision under Section 9 of the agreement to do away with the tax unilaterally. I think it is about time the Government did one or the other.

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, my hon. friend demonstrates knowledge of the provisions in the Memorandum of Understanding. As soon as the provinces have taken measures to offset the tax, as every province has done in Canada except Ontario, we will have a basis for negotiating out of the agreement.

If he wants to help his constituents in northern Ontario, perhaps he ought to make a trip to Queen's Park, as I have advised him to do, to encourage the Government there to do what every province has done, and put us on a basis to permit us to get out of this agreement.

* * *

• (1450)

MULTICULTURALISM

CHINESE CANADIANS – APOLOGY SOUGHT FOR PAST TREATMENT

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have an urgent question for the Minister of State for Multiculturalism. Since September of 1984, Chinese Canadians in my riding of Hamilton West as well as those in ridings throughout Canada have been pleading for a bipartisan parliamentary resolution for an apology from the Government, acknowledging the injustice and the appropriate remedial action to be taken by the Government over the head tax and the Exclusion Act forced on Chinese immigrants early in the century.

I ask the Minister whether he intends to introduce such a motion in Parliament, a motion which I am sure would have the full support of all Parties, acknowledging the disgraceful way Canada treated one of its earliest immigrant peoples, peoples who are largely responsible for building Canada from coast to coast.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I thank the Hon. Member for the question. Of course, it is the same question that was raised by the Hon. Member from Vancouver at the end of last week.

I indicated clearly that I have met with members of the community, in particular representatives of the CCNC on a number of occasions. I appreciated very much the manner in which they helped us in our understanding of the issue. I met my commitment, which was to present the proposals they brought forward to the Government. Those are now under review and discussion.

MINISTER'S POSITION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, there have been repeated requests, and of course a litany of denials. Just last week, the Minister, as he reminded us again, said that he met his commitment to the community completely in his meeting with them. The Government has given the the Chinese Canadian community nothing but meetings. The chronology since 1984 names Jack Murta, Otto Jelinek, David Crombie, and now the present Minister.

Besides the money the Chinese community is seeking in compensation, will the Minister not agree that his first order of business in this matter should be a parliamentary resolution acknowledging these past injustices?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, for some 47 years the country waited to see what would happen to a dark stain that had been placed on our record as a people. We as a Government addressed ourselves to the matter. We brought forward redress and an apology to Canadians of Japanese origin. At that time we brought out a very important initiative on race relations. A foundation will be established, with legislation to be brought forward soon.

Our commitment to multiculturalism and the creation of a fairer, more open and more understanding society is firm. There has been the establishment of a new Department by the Prime Minister, there has been legislation on race relations and heritage languages, and a new Citizenship Act or amendments to it will be brought forward soon. We have nothing to be ashamed of for what we are doing as a Government.

[*Translation*]

PUBLIC SERVICE

ALLEGED REDUCTION OF PERSON YEARS—GOVERNMENT POSITION

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, my question is for the President of the Treasury Board.

Some medias are predicting that major cuts will be made in the Public Service; furthermore, it seems that these cuts will be included in the Budget Estimates.

I would therefore like to know from the President of the Treasury Board when his Estimates will be tabled, so that we can find out more.

[*English*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we are continuing the program that was announced several years ago to reduce the number of person years in the Public Service by 15,000 overall, keeping in mind the importance of safety, health, security, and service to the public. I am happy to say that that has all been done with minimal lay-offs.

In terms of targets for the current fiscal year, I will be tabling the Main Estimates this Friday, April 28, and details will be contained therein.

* * *

[*Translation*]

THE ENVIRONMENT

SPILLAGE OF TOXIC MATERIALS INTO SAINT-MAURICE RIVER—GOVERNMENT POSITION

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is for the Minister of the Environment.

Page 518 of the Sinclair Report states that the Belgo and CIP plants in the St. Maurice Valley failed their toxicity tests conducted by the Department from 1978 to 1985. That same page also says that factories are dumping non-filterable toxic substances into the St. Maurice River and that in sufficient quantity, these substances are highly toxic to health.

The people of Québec are rightly concerned. My question therefore is: Has the dumping of non-filterable toxic substances been stopped? And when will the Minister start prosecuting?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, concerning the recent dumping mentioned in the press, we filed a first complaint for failure to notify Environment Canada and RCMP investigators are completing their investigation to determine whether or not there are grounds for prosecution, depending on whether the PCB standards issued by Environment Canada were respected or not.

[*English*]

NEWCASTLE, N.B.—POLLUTION OF WATER SUPPLY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of the Environment. Residents of Newcastle, New Brunswick, are justifiably afraid to drink the local water supplies because of toxic pollution. Has the Minister ordered an investigation into the source of the pollution, and who will pay for the urgent clean-up of this water supply?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the first information we have about this contamination is that it has been found in the Mitchell Avenue well. We suspect that it might be related to the exportations of an industrial wood plant in previous years. We are waiting for more information.

For the time being, people are being warned not to drink or use this water for cooking purposes. The City of Newcastle, with the help of the New Brunswick Government, is distributing bottled water to them. We are monitoring the information and are advising people on how to conduct the services there. We will have a more detailed report in a few days.

* * *

SMALL BUSINESSES

EFFECT OF INTEREST RATES

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, my question is addressed to the Minister of State for Small Businesses. Given that interest rates are at their highest level in years, that many small businesses must borrow to purchase stock for the new season and that small businesses cannot afford to do so at these impossibly high rates, what measures will the Minister be taking so that small businesses do not have to suffer because of the Government's misguided plan to curb inflation on the backs of small businesses?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Hon. Member should know that the first thing we will do is make sure that interest rates stay a full 7 per cent or 8 per cent below where they were in 1982.

Some Hon. Members: Hear, hear!

Mr. Hockin: Perhaps the Hon. Member wants to know precisely what the Government has been doing. The Small Business Loans Act has been very, very successful in the last three years. We will be improving it still further. As well, the Federal Business Development Bank is putting together a whole new menu of approaches for the small business sector, and financing opportunities there will be announced shortly.

LOAN GUARANTEE PROGRAM

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, in addition to the high interest rates that are killing the small business community of Canada, small businesses are being devastated by the reduction of the loan guarantee program to 85 per cent, something which is nothing less than a swift kick in the pants to small business. Is the Minister prepared today to reinstate the loan guarantee to 100 per cent before the small business community collapses, taking the whole economy of Canada down with it? If not, why not?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, one reason why not is that the Canadian Federation of Independent Business disagrees with the Hon. Member. It likes the present scheme and wants to see it extended.

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ABORIGINAL PEOPLES

NATIONAL FRIENDSHIP CENTRES—FEDERAL FUNDING

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Secretary of State. The directors of National Friendship Centres have been advised by the Secretary of State that those 99 centres across Canada will have their first budget this year slashed by 15 per cent in an effort to reduce the federal deficit. There was no consultation, no one's advice was sought. Once again the Government did not allow native people the opportunity to provide input. How can the Secretary of State justify slashing these funds for aboriginal peoples' programs?

• (1500)

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I have visited a Friendship Centre. I recognize their benefit. I can quietly tell Members of the House that they provide a very efficient and effective service to the community, and a very needed service.

I do not know from where the Hon. Member gets her information. However, I would hope the Hon. Member would wait for the Minister of Finance to speak on Thursday before she presumes anything.

Mr. Speaker: Given the time I must move on to the Hon. Member for Surrey North, with a single question, please.

* * *

HOUSING

PERSONAL HOUSING COSTS—MINISTER'S POSITION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is directed to the Minister of Housing.

Canadians were shocked and dismayed by the Minister's statement today that 30 per cent of personal income is no longer a realistic figure for meeting personal housing costs.

The Minister continues to back away from the positions of principle he took as a back-bencher.

Can the Minister tell the House what his new target figure is? Can he explain why he has abandoned the CMHC figure which until very recently was 25 per cent, not 30 per cent?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the Hon. Member knows, for a long time it has been traditional to consider 30 per cent as the amount that Canadians would normally and reasonably spend on housing. That certainly is and continues to be the target of Canada Mortgage and Housing Corporation. It continues to be the target of the Government, and it continues to be my target.

Unfortunately and realistically, and I know the Hon. Member is well aware of this when he looks at his own city and other communities, that figure of 30 per cent does not hold true these days. Notwithstanding that fact, it certainly is the target. The aim is to provide affordable housing for Canadians, and to try our very best to ensure that Canadians do not have to spend more than 30 per cent of their incomes on affordable housing.

Supply

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—POST-SECONDARY EDUCATION FUNDING—NATIVE PEOPLES

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

That this House recognize that the Government's arbitrary and misanthropic policy of unilaterally capping future funding for post-secondary education for Canada's native peoples severely undermines the right and efforts of these peoples to enhance their capacity to make meaningful and lasting improvements to their economic and social conditions and to establish their self-reliance, thereby condemning them to unacceptable living conditions and driving them to desperate measures; and

That this House urge the Government to terminate its plans to cap this funding and to take steps to establish effective bilateral consultations on this and other matters vital to the improvement of the lives of and the ending of discrimination toward these Native peoples.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I am pleased to have the opportunity to speak to the issue before us, which is a most important one.

I would like to remind Members of the House that my riding of Regina—Wascana is the home of Canada's first fully accredited Indian university, named the Saskatchewan Indian Federated College. It is affiliated with the campus of the University of Regina.

The school population has virtually exploded in recent years, to our benefit. Currently there are expansion plans, and I have not heard that this position has been withdrawn. Given the tenor of the current debate before us, my wish is that this goal will soon come true, and I assure them that I will work toward that goal with them as best I can.

In March the Minister of Indian Affairs and Northern Development (Mr. Cadieux) introduced a new policy for native students attending post-secondary institutions. Without question this program is the fairest and most generous of its kind in the world. It is a responsible program, and that is why I am pleased to address the subject.

Federal funding for post-secondary education has increased dramatically over the past decade, which has been alluded to by Members on both sides of the House. Let us not forget that there has been a dramatic increase in the funding. In 1977–78 when the previous E-12 program was first adopted, the federal Government provided approximately $2,600 per capita in assistance to approximately 3,500 Indian students. In 1988–89 the budget for the program was close to $130 million, and provided close to $9,000 per year to each of some 15,000 students.

The Government's Post-secondary Student Assistance Program is among the most generous in the world, and it is a significant improvement over the provisions of the previous E-12 program. I defy anyone to show us a program that is more generous.

The objective of the new policy is to help Indian and Inuit students gain access to a post-secondary education in order that they can pursue individual careers and contribute to the achievement of Indian self-government and self-reliance while building a better Canada.

I would like to take some time to explain the benefits available to eligible students. Tuition assistance is provided to eligible full-time and part-time students. This category of benefits includes students' fees for registration, tuition, and the cost of books and supplies required for a particular course of studies. In other words, if a science student is required to have a lab coat, that coat would be an eligible expense. If an economics major is required to have a calculator, the program would cover the cost of the calculator.

In addition to tuition assistance, full-time students who are required to live away from their permanent place of residence may receive a wide range of benefits. For example, they may qualify for a travel grant to return to their home once every semester for themselves and any dependants who reside with them. I see little restriction in this policy. These students are also eligible to receive allowances to help cover their living expenses of food, rent, heat, hydro, day care, and other related expenses. In areas where rental costs are higher than normal, Indian students with two or more dependants may receive a special rent supplement.

Beginning in the next academic year single students may receive a maximum monthly living allowance of $675. A married student with an employed spouse and three dependants will receive a maximum of $1,205 per month. A single parent with three dependants will receive a maximum of $1,355 per month, plus a rental supplement where applicable.

It is true that under the new program some students may experience a decline in the level of assistance that they receive. I would like to stress that the Minister of Indian Affairs and Northern Development has already made it clear that Indian administering organizations will be given significant latitude in dealing with the special needs of these students. Students will be eligible for post-secondary assistance for the official length of the program that they are pursuing. For example, if they are studying for a medical degree they will be assisted for the full length of the course of study. The program also provides for an additional year of government assistance where it is justified.

It is true that the federal Government will no longer fund students permanently, regardless of their progress. The new policy also enables administering organizations to offer special incentives to eligible students. For example, academic achievement scholarships of up to $1,000 may be awarded to community college, CEGEP and undergraduate students who maintain an average of B or higher.

Undergraduate students may also be eligible for strategic studies scholarships which may be worth up to $3,500, to encourage students to pursue courses of study that will directly contribute to achieving self-government and economic self-reliance.

Incentives are available for full-time students enrolled in an advanced or professional degree program such as a Master's or a doctoral program. These students are eligible for a one-time contribution of up to $1,500.

Despite the significant range of levels of assistance available to Indian post-secondary students, some would argue that that is not enough. These people want the federal Government to guarantee individual natives a free post-secondary education. They want the federal Government to fund each individual for as long as it takes. Unfortunately, that is not a realistic situation.

I can think of no other group in Canadian society that has access to such a focused generous program, nor can I identify a group that is as needful for this type of assistance. Education will open the door to a more fulfilling future for Canada's Indians. We have a social obligation to contribute to that progress.

• (1510)

Mr. Schneider: We have an excellent track record in supporting post-secondary education for Indian students and the new policy will only enhance that record. There is not a Canadian who upon a fair evaluation of the Minister's proposals can say this is not a responsible approach to Indian and Inuit education.

Mrs. Gaffney: Madam Speaker, the Member from Regina stated that no other group of people in Canada has such a generous access to funding for post-secondary education, and yet a single native student receives a maximum allowance of $675 per month in comparison to $900 per month for students from developing nations under the Government Commonwealth Programs. I would like the Hon. Member to speak to this, please.

Mr. Schneider: Madam Speaker, I thank my hon. colleague for the question, particularly as we know one another from a previous jurisdiction. I am pleased to see her in the House of Commons, and I say that sincerely.

The Member makes specific use of a singular statistic and, by placing the question before me, attempts to get me to agree with her selective use of statistics. In the course of my remarks to the House, I did allude to several programs of benefit that are available to our native Indian and Inuit community. It simply does not stop at one single item. I know there are other questions. I cannot elaborate on everything, but I am happy to repeat what I said earlier.

Very, very briefly, there is a matter of tuition and a matter of articles required within the university or college jurisdiction. There was funding available to allow the individual as well as those dependants living at home to leave their place of educational learning to return home. The list goes on and on. To re-emphasize, $2,600 per capita was spent some years ago. Today approximately $9,000 per individual Indian student is made available. I think that speaks well for the Government and for the commitment of this Government which truly represents the people of Canada.

Mr. Soetens: Madam Speaker, there has been a lot of rhetoric on this particular issue for the last few weeks, both inside and outside the House. It brings to mind a certain clarification that I would like to have and it might help those who are participating in this debate to understand as well. The policy relates to a concern expressed by some students who are saying, in fact, that the policy forces students to attend specific universities

and to take specific courses defined by the Government, a program in which the students themselves argue they have no input.

Can the Hon. Member please clarify whether the new announced policy really imposes these restrictions on individual students?

Mr. Schneider: Madam Speaker, I take this question with a certain degree of pleasure in that it does have a tendency to remove these clouds of suspicion, at least to those who are listening to the Government policy. The clouds of suspicion, of course, have been placed there appropriately by the Opposition—appropriately at least in their minds—and from our position, of course, are certainly not justified.

To get to the meat of the question, there are four points I want to make very clear to this House, to members of the Opposition and to Canadians generally. Students, of course, are free to attend the university of their choice and to take whatever course of study they wish, a freedom I would suggest that has yet to stand the test of equality anywhere else. They can do this without any restriction on the living allowances to which they are entitled provided they are within the over-all limits stated in the policy. Canadians, of course, charge us with the responsibility of making sure that the policies we provide have some sense to them.

The policy states that tuition support and travel allowances will be limited to the costs at the nearest university offering the course of study comparable to the one chosen by the student. I think that is fair. Incentive grants are provided to students who choose to enrol in some specific courses, but again we emphasize that students are not obliged to take these courses.

Mrs. Catterall: Madam Speaker, on Friday in the House I brought to the attention of Hon. Members the case of a young native boy, the adopted son of two non-native parents. His parents are desperately seeking financial help to provide the residential treatment their son needs for severe emotional and behavioural problems. Some Members opposite insisted on casting the issue as an educational one, and that is why I am returning to it.

• (1515)

This is not an educational issue, an issue which is the responsibility of the province or of the local school boards. It is rather a question of health care and equal access for native children to care and to opportunities. The boy suffers from foetal alcohol syndrome, a medical condition which affects native children disproportionately and results in severe problems. The condition leads to erratic and violent behaviour. This boy has been professionally diagnosed several times as needing residential treatment.

Funding could be available through the province if the child were not a status Indian. His parents then could enter into an agreement to allow the Children's Aid Society to take over the care of their child and he would get the residential treatment and the help needed for his medical problem. But that cannot happen because the minute his parents do that the Children's Aid Society is obliged to consult with the band from which the boy came. The parents jeopardize their custody of the child to provide the care he needs for his medical problems.

An Hon. Member: This is a long question, Madam Speaker.

Mrs. Catterall: With respect, Madam Speaker, my understanding is that this period is for comments and questions. This is a comment.

The Acting Speaker (Mrs. Champagne): The Hon. Member is quite right in saying that this period is reserved for questions and comments. The Chair was listening rather carefully to what the Hon. Member was saying. I must admit that I was, up to a point, wondering about the relevancy of the comment being made by the Hon. Member, a comment which was very interesting and I am sure is raised for a very good reason, but I have to wonder about the relevancy of this comment to the motion before the House now. The Hon. Member may want to link this to the motion before the House so that the Hon. Member from Regina—Wascana can answer.

Mrs. Catterall: Madam Speaker, I am pleased to draw the relevance of the question to you as I did on Friday when I first raised it. This debate has been very wide ranging. One particular speech this morning from the opposite benches referred to Indian businesses, Indian culture, elementary school programs and newspaper and television programs. The question of post-secondary education is a wide ranging subject tied to a whole cultural tradition.

In debate this morning the matter was referred to without interruption from the Chair. There is a serious issue of how many young native children never have the opportunity to access the program under discussion, whatever its faults and shortcomings may be.

This boy is 12 years old. He desperately needs help. He has only a few short years in which to get that help to allow him to complete a normal education and be able to take advantage of this and other programs. Should this boy be denied the opportunity to grow up whole and healthy? I plead with Hon. Members opposite who are still in the House, and particularly with the Minister, to look into this particular case and into cases of treatment for children in this age bracket also in this situation who, without help, will never get anywhere. I ask him to confer with the Minister of Health as to why mental health is not in the Health Act of Canada.

An Hon. Member: This is a long question.

The Acting Speaker (Mrs. Champagne): I will allow a rebuttal from the Hon. Member. One minute, please.

Mr. Schneider: Thank you, Madam Speaker. I was hoping I would have five or ten minutes to give an answer.

• (1520)

The Acting Speaker (Mrs. Champagne): I will allow rebuttal from the Hon. Member. One minute.

Mr. Schneider: I was hoping I would have five or ten minutes, because I would like to open my remarks by congratulating the Member beside us, who is also well known to me in "Another World" I am convinced that her contribution to Government is going to be as significant as it was before. The matter that she raises is one that seems to be before our concerned Governments throughout Canada.

As an example, my wife is in charge of a special program in Regina called the Balfour Special Tutorial Program, whose prime focus is on the education of pregnant girls. In that program, there are, as well as non-natives, native girls who have problems. I suggest some of them have children who have problems similar to what the Member cited.

What is the resolve? The resolve, with respect to the definition of a status Indian not being able to receive the same kind of attention as someone else unless status is given up, certainly sounds like a situation that bureaucracy itself has placed before us. Given the presence of our Minister, who saw his way here to the House to listen to this debate today, I am sure that he has borne this comment in his mind and it will be in his mind when this matter comes to his personal attention. I would encourage that this matter be documented and in fact sent on to him.

It does raise a suggestion and a question, that each and every one of us in Canada must regard the decision that was made to place our native population on reserves, and isolate them from society. They now want to come back to urban society to claim their rightful place in this community. It charges us all with a responsibility to make sure that this transition does happen and happens effectively.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Saskatoon—Clark's Crossing.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I would begin by stating something that I mentioned to the Minister on Friday. I appreciate the sentiment with which his statements were made. I sensed a distinct desire on his part to find a resolution to this situation, and a sympathy and sincerity in dealing with that. I much appreciated that. There is, though, still much left to be resolved.

I want to make mention of a couple of comments from across the country. In my City of Saskatoon, the *Star Phoenix*, not known for its agreement with my Party, said today:

> It is high time Indian Affairs Minister Pierre Cadieux relented on his stubborn refusal to negotiate a better deal for Indian post-secondary students and stopped making deceptive statements about universal access. The logic is overwhelming.

The editorial went on:

> Beyond honouring a treaty obligation, the investment in Indian post-secondary education promises to pay dividends in reduced welfare and prison costs in the future, to say nothing of the positive contributions native doctors, lawyers, teachers, scientists, etc.,will make to Canadian society.
>
> With so much at stake, it is understandable the native community is fighting to resist funding ceilings which amount to quotas, living allowances cuts which will effectively rule out university attendance for many of them and performance demands which almost guarantee failure. The sooner Cadieux admits the short-sightedness of his department's money-saving tactic, the better for all Canadians.

As we have seen, unlike the rather unimaginative editorial in the *Globe and Mail* last week, Peter Debarats made some similar comments. I do not want to continue with the litany of problems with the Indian population and the circumstances in which they find themselves. We have heard that on a number of occasions in this debate. I think it is important that they be stated, but I would like to go on to point out some concerns with the guidelines.

The Government side has consistently said that these guidelines are better than the old E–12 guidelines. I would like to challenge that. It is not only Indians who question that these guidelines are better. I think the terminology and the facts speak for themselves.

The original E–12 guidelines were also problematic, and going back to them will not solve an enormous amount. At least they are better than these new guidelines which were adopted without effective consultation, and they should not be produced before that appropriate consultation. The original E–12 guidelines were also not subject to satisfactory consultation. They also were deemed to be undesirable by native students and native leaders.

In 1987, the former Minister of Indian Affairs made the matter worse and set the tone for these guidelines by essentially capping those funds, setting priorities for selecting students, placing a 12–month Canadian residency requirement, and removing half salary allowances for graduate students. These changes were made without effective consultation with native leaders. The present guidelines proposed by the Minister also were introduced without effective consultation. None of the 560–odd organizations and individuals consulted on these guidelines were in agreement with the changes.

I will just state what I see as the problems with the changes, and then ask two or three questions. The old E–12 guidelines provide that training and living allowance "shall be" provided. The changes in the new guidelines introduced the terminology "may". Special shelter allowance was available under the E–12 guidelines under certain circumstances. There is no allowance for that under the new guidelines. Tuition allowance, the previous guidelines point out that full fees "shall be paid". Under the new guidelines we have the terminology full fees "may" be paid. Under the old guidelines books and supplies "will" be paid "in full". In the new guidelines, moneys "may" be provided "toward" the cost. Students "shall receive "in full" travel allowance, under the old guidelines. They "may" qualify for a travel grant under the new guidelines.

There are a number of other indications of movements away from the old E–12 guidelines to a less desirable standard under the new ones. We have an increase in the global amount available to students. There had been no increase prior to these introduced changes on April 1 since the introduction of the first E–12 guidelines. A small increase of 6 or 7 per cent does not make up for the cost of living increase over time from the beginning of the previous guidelines to the introduction of these new guidelines, of something approaching 30 per cent.

In real terms, the new guidelines do not add anything very significant to the pockets of Indian students. Indeed, because of some allowance they were entitled to before, which they will now not be entitled to but may receive, they may in fact end up with less. Computations made by Indian groups indicate that almost all of the categories of students receiving assistance under the guidelines will in fact receive in total less under these guidelines than under the old guidelines. There is a movement away from seeing the moneys available as of right to the students to discretionary moneys available under certain circumstances. The terminology "may" is introduced in most of these new guidelines.

Rather than continue the rhetoric, I would like to pose three questions to the Minister. I do not expect him to answer them today, but I think it does suggest that the problems which these new guidelines give rise to. He said there is no cap on the guidelines. He said that there is no monetary limit available for financing post–secondary education students. The program just must work within a budget. Let me pose this question: Supposing, instead of the 15,000 students now who are now applying for money, 15,050 apply for the money, and there is only enough money for 15,000. Is the Government committed to ensuring that the funding will be available to provide for those other 50 students? If they are not committed to ensuring that funding will be available for those other 50 students, quite clearly there is a cap on the program.

With regard to Bill C–31, adding members to band lists, with regard to the demographics of the Indian population, 25 per cent being under 18, 50 per cent being under 25, as well as the backlog from those who did not make it through the previous education system, I wonder what steps the Minister and the Government are making to ensure that the required funding will be available once all of the students reach university and other post–secondary institutions. I think the question remains. Will the Government commit itself to ensuring that no Indian student wanting post–secondary education and qualified to undertake it will be denied the funding to do so? I

think we still do not have an appropriate answer to that question.

• (1530)

There is much more to be done with regard to ensuring that these guidelines are appropriate and acceptable to the Indian population, to Indian students and leaders. That has not been done to date. There has not been effective consultation. We must ensure that that takes place. We must ensure that issues which separate the Government and Indian leaders are debated and resolved in the appropriate fashion.

To that end, I would like to move an amendment to the Motion which is on the floor. I move:

> That the motion be amended by deleting all the words following "desperate measures" and substituting the following therefor:
>
> "That this House call upon the Government to put a moratorium on the implementation of its amended post-secondary education policy for native students while the Government enters into bilateral negotiations with elected representatives of Canada's native peoples".

The Acting Speaker (Mrs. Champagne): Are there questions or comments? The Chair recognizes the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Angus: Madam Speaker, I have a short question to ask of my colleague. Much has been said in the media during the last two or three weeks about the change from the E-12 guidelines to restrict the number of years that a native can participate in the program. Formerly, it was 48 months. I gather it is now 40.

As my Party's post-secondary critic, will the Hon. Member indicate to us what the ramifications of that change will be, particularly in terms of a native coming from a very remote reserve, perhaps from northern Ontario or northern Saskatchewan? In this case the person is arriving at a university or college for the first time. What kind of social pressures will be encountered? Is it realistic to expect a native Canadian to go through university in 40 months when, quite frankly, a number of non-native Canadians have not been able to do that?

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I thank my colleague for his question. It is an important one coming from a Member who is from a province with a large number of native students and who was formerly employed at a university. It is of a great deal of importance.

Essentially, many Indian students would be coming to university to study in a second language as well as in a second culture. It is no surprise that many of them find some difficulty with that and need some extra time in order to cover their studies. Therefore, any pressure or limitations placed on them is undesirable.

As the guidelines indicate, many of them will come with dependants, with children or spouses who are dependent on them. That also places extra pressures on them since there is inadequate funding available for child care and the other responsibilities of a family member performing an education function.

Clearly, it is a problem for students coming from Indian communities to universities or other post-secondary education institutions to have pressure put on them to finish their studies in a shorter period of time, rather than being given enough time to settle in and learn appropriate language skills as is necessary and so on.

The Acting Speaker (Mrs. Champagne): If there are no further questions or comments we will resume debate with the Hon. Member for Athabasca (Mr. Shields).

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I am happy to participate today in this debate. I am truly saddened by the political use of the situation, something which I feel to be very serious. This is a situation which is fraught with misunderstandings. In my view, the emotions on both sides of the issue have gotten out of control and are at a point where people are not listening to what others are saying.

First, I would like to say something about the Minister of Indian Affairs and Northern Development (Mr. Cadieux). I have worked with this gentleman over the past four or five years in another portfolio and, indeed, in the present portfolio which he holds. I find him to be an honourable gentleman, one who speaks straight and calls it as he sees it. He tries his hardest to listen to the other person's point of view.

I have had countless meetings with him since this issue came to the fore in the last two to three weeks. I want to say that I have found his comments to be helpful. In my discussions with him I found that he was there to listen.

I also went over and visited with the students who are participating in this hunger strike or fast. I found that a great deal of emotion exists. I tried my hardest to make them understand that there are two sides to the issue. I thought that there really was a possibility that the students could sit down with the Minister upon stopping their hunger strike.

Basically, the students are demanding four things. First, they have said that they would like a moratorium set in place for a year on the issue of the new guidelines and before the new policy comes into effect on September 1. Second, they have said that they want to negotiate the capping or the cut-back in funding. Third, they want to have a bilateral process between the students and the Minister or the Minister's staff to try to work something out that would be suitable to all. Fourth, they would like to see a national student organization established.

I would like to go over these issues point by point. I think it is unfortunate that Members in the House either purposely or inadvertently are distorting the issues and really clouding what is happening. Let us look at the removing of the cap. Somehow during the debate that has somehow evolved into a cut-back.

• (1540)

The Ministry of Indian Affairs had to set up a budget last year so that the Department could take to Treasury Board a realistic budget stating how much money the Department is going to spend over the next year. All Members should recognize that any time a Minister is responsible for a department, he surely has to put in place a budget. Surely he has to say,"This is how much we have to set aside, President of the Treasury Board. This is how much we have to set aside for this specific activity."

For 1987-88, with the best available information the Department had at that time, it submitted a budget. Unfortunately, there was a shortfall affecting 899 students of which 137 were Bill C-31. This was a combination of regionally administered and band administered post-secondary education support. The Department then sat down, recognizing that they had a shortfall in their budget, and said, "We made some errors. Let us try to get better information from the bands who administer the funding and let us put in a better budget for the following year."

So for the fiscal year 1988-89, the budget was submitted. Much better information was available. It was able to bring that down to 243 students, of which 0 were Bill C-31, that had to be deferred to the following semester. These deferrals occurred because the Department did not have all of the information. It still does not have all the information. So it is an estimate of the amount of funds that is going to be spent on post-secondary education for the following year. This year the Department submitted a budget figure of $130 million for post-secondary education under this program. Not one cent was cut back from that figure submitted by the Department. The Department was not asked to trim anything off the submitted figure. The $130 million was the figure that the Department, preparing their budget, estimated would cover every native or Indian student in Canada who wanted to participate in post-secondary education. That is the estimate, $130 million. I submit that we will know if that estimate is correct—in fact, it may be oversubmitted—but we will not know that until students enrol in September and again in January for the various semesters and until the fiscal year is over.

I therefore submit, Madam Speaker, to you and to my my friends in the House that it is incumbent on the Department to submit a budget item. It is incumbent on the Department to submit to Treasury Board an estimate of the funds it is going to spend. One can see from the pattern that they are trying very hard. We have a problem in that though. That problems exists in gathering the data from the bands.

Sixty-seven per cent of all the funds budgeted for post-secondary education are administered by Indian organizations. One hundred per cent of the 243 student deferrals in the 1988-89 fiscal year which ended March 31 occurred in Manitoba. The Manitoba Indian organizations administer almost 100 per cent of the post-secondary education budget in that region. There is a difficulty, and I am not blaming anyone. I want that clearly understood in this House. There is obviously a problem that exists in Manitoba in two-way communication that will bring any misbudgeting into line.

What has the Minister said in this House repeatedly? He has stated emphatically that the budget is in place, the objective is to cover every single Indian student who qualifies to partake in post-secondary education. That is the objective of the Minister. That is the objective of the Department. And that is the objective of every Member in this House of Commons.

They say there could be a shortfall. There well could be. But there could well be a surplus. We will not know until this fiscal year is over. So to talk about a cut-back or a cap is just not true. Any budget item submitted is the best possible guess using the best possible information at your disposal to say to Treasury Board, this is how much money you have to allocate. There would be a cut-back if it came back from Treasury Board and they said, no, you cannot have $130 million, you are going to have to cut it back to $110 million. But that did not happen. Not one cent was taken from the original submission to Treasury Board of $130 million. It was approved. So we will have to wait and see.

Let us go then to the bilateral process. The Minister has said to the students and the Indian organizations that he is prepared to sit down between now and September 1 in a bilateral process to discuss the policy and make any changes that would improve the delivery of the policy, the delivery of the system or indeed change the policy before September 1. He has asked in return that the students stop the hunger strike. That is a reasonable request, in my view.

What the Minister has really said goes back to the moratorium. The Minister in effect has agreed to a moratorium on implementing the policy between now and September 1, a moratorium on the policy he has in place now that has been submitted and been published. This is all in place. He will sit down with the students or student organizations between now and September 1. In effect, that is a moratorium. He has said that he is not going to throw out the policy and go back to what was in existence two years ago, because this policy recognizes the cost of living increases that some of the Members have been talking about and has actually increased all of the assistance, whether it is training allowance or whatever, to all of the students in every category.

• (1550)

I have seen one situation in which a student will have a reduction. I discussed this with the Minister. He said that the program could be flexible enough to accommodate any variances that might exist. The students now have an opportunity to sit down with the Minister to examine the Post-Secondary Education Assistance Program and to point out those areas which they believe are wrong or unworkable and have them changed. This can be done between today and September 1.

When I visited the students they asked why the Minister would publish this now and not sit down with them. They asked why this is done without their consultation, and there was an argument about whether or not there was consultation. Much of the policy itself was sent to the bands.

I have not been privy to the information about what the responses were, but the students who will be going to university in September had to know what the guidelines would be. All of them got an increase in their student assistance. I asked the Minister about the student whose assistance will actually drop and was told that he would be very flexible when sitting down with the students and would try to correct this problem.

My appeal to the students is that the time has come to sit down with the Minister. Now is the time to work on this policy because there is, in effect, a moratorium in place now. There is a moratorium until September 1.

The students say they would like a national student organization. I met with those students and found them to be articulate and bright. Some of them have real leadership qualities. If they want a national student organization, I suggest they go out and organize one. Of course they will have more strength with a national student organization.

When I was going to university I saw student organization develop in Canada, but it was developed by the students. The Government will not organize a national student organization; the onus is on the students to do it. "You have the intelligence. You are bright. You have the initiative. You have the leadership. Go ahead and do it".

I want some reason to come into this whole question. I would like my friends from the Official Opposition and the New Democratic Party to look at this as an issue about which no Member can claim sole moral integrity. We can all work together.

I believe our record has been exceptionally good in dealing with land claim settlements and many other issues we faced when we took office in 1984. I have sat on the Standing Committee on Indian Affairs and Northern Development. I worked well with members of the Official Opposition and of the New Democratic Party. We were able to resolve some very serious issues, and often there was full agreement.

I travelled across the country on a special committee. Keith Penner, a former Member, did extremely well in the committee. There was a consensus to help native people.

Obviously, education is key to the development of native people. I have seen this development in many of the ridings, but education for many bands in many areas is still low. There is a lot of work to do. As has been stated over and over again, our Government is committed to supporting Indian students and post-secondary education.

There is no cap. We have not put a cap on post-secondary education for native students. Like every other Department, there is a budget which was arrived at with the best information possible. The budget figure was submitted on the basis that it would account for every student who qualified to go on to post-secondary education. It even allows for students who come from some of the communities with what they think are university entrance qualifications but are not. We have even accounted for community colleges so they can prepare themselves much better for a full university load.

I plead with all Members of the House to work together to try and resolve this issue. Our message to the students should be that it is time to stop the fast. It is time to come to the House of Commons, sit down with the Minister of Indian Affairs and Northern Development (Mr. Cadieux), and resolve the situation as it should be resolved.

Ms. Blondin: Madam Speaker, in his remarks on the issue of post-secondary education funding and capping, the Hon. Member focused on the students who are on the hunger strike. This is an issue that the leaders were concerned about prior to the hunger strike. Does the Hon. Member not believe that the Minister has an obligation to negotiate with the leaders in good faith? What is stopping the Minister from negotiating with the leaders about the requests that were made by the leaders prior to March 22?

Mr. Shields: Madam Speaker, I appreciate the comment by the Hon. Member for Western Arctic (Ms. Blondin), but I would ask her to listen to what I said. There is no capping. In my view a cap means to spend a certain amount and no more.

The budget has increased every year. Capping the program would mean that $130 million would be spent next fiscal year, the following fiscal year, and the year following that. That is not the case. The Department, with the best available information it had, set a figure because Treasury Board asks the Department how much it will spend, by category and by program. Within the program of post-secondary education, with the best information available, the Department said that it estimates it will spend $130 million this fiscal year, 1989-90. Based on the information it has, it should cover every student who wants and qualifies for post-secondary education. There is no cap.

The Minister has met with the Indian leaders in the community. The predecessor to the Minister, who is now the Minister of National Defence (Mr. McKnight), met with Indian leaders across the country in implementing this very program and discussed it with them. The present Minister inherited the job some two months ago and is following the program.

I hope that answers my hon. friend's question. There is no cap. It is a budget item, based on the best information available.

Mr. Hovdebo: Madam Speaker, the Hon. Member suggests that Indians should trust the Government on this issue because they were consulted. That point needs clarification.

• (1600)

Why should the Indians trust this Government? The Government said it consulted with 500 groups about this program. We have been unable to find one of those groups which supported the program or even felt it was consulted in the process.

One of the groups that was supposedly consulted was the New Democratic Party Saskatchewan caucus. We were never asked a question about it. We have never been told the result of any of those consultations. As far as we know, everyone consulted was against the program.

Indians thought the old program was bad and they said so. However, when they saw the new program, they felt that though the old program was bad, it was better than the new one. There was no cap on the old program. It allowed any number of students to be funded. The new program limits the number of students who can be funded. There is a cap in dollars.

One can put only so many through the educational system for so many dollars. If a cap is put on the dollars, it is put on the number of students that can enter the system. If the number of students who apply next year doubles, will the Government fund twice as many students with twice as much money?

Mr. Shields: Madam Speaker, my hon. friend said that the NDP caucus was not consulted, yet it submitted a letter expressing its concerns during the consultation process. It was consulted. The Hon. Member may just check it out, but a letter was written.

Mr. Hovdebo: I wrote the letter.

Mr. Shields: The Hon. Member says that he wrote the letter but he says that they were not consulted. I do not know what he is talking about. Obviously he does not read the letters he writes.

I would like to talk about the trust factor for a moment, if I may. I agree with the Hon. Member that Indian people have no reason to trust any Government for a number of things that have happened in the past. However, I think they have a lot more reason to trust this Government when they look at its record over the past four years.

I would like to point out some of the things the Government has done.

Mr. Hovdebo: Answer the question.

Mr. Shields: The bands will receive additional funds to defray costs arising from the reinstatement of Indian people or registration changes under the new Indian Act. There has been a new Indian Act passed. Bill C-123 clarifies the responsibilities of the Minister with respect to Indian minors trust accounts and increases the preferential treatment—

Mr. Hovdebo: Answer the question.

Mr. Shields: The Hon. Member says that I should answer the question. I am trying to answer the question, but the Hon. Member keeps interrupting and will not listen. That has been typical of this entire debate. No one is prepared to listen to another point of view.

Mr. Hovdebo: Will you fund twice as many students?

Mr. Shields: We are finding that the NDP, that socialist Party, will do anything to attempt to use in a political way a situation that I think is reprehensible.

I saw those same people go across Canada during the last election campaign scaring the living bejeesus out of all the senior citizens by telling them that they would lose their homes and their old age security because of free trade. I find that to be absolutely despicable, and I find them doing exactly the same thing today. They are doing exactly the same thing on an issue that should not be treated that way. Reasonable people should be trying to work out a solution to a very serious problem.

Mr. Nault: Madam Speaker, I rise on a point of order. I think it would be to the benefit of the House if we would stick to the amendment to the motion which the Hon. Member was supposed to be speaking on. In his ramblings of the last 20 minutes, I fail to see where he has even touched on the amendment to the motion.

Mr. Andre: You are pretty junior around here to be talking about the rules.

Mr. Gauthier: He is starting off pretty good.

The Acting Speaker (Mrs. Champagne): Order.

Mr. Nault: Harvie, I catch on quickly.

The Acting Speaker (Mrs. Champagne): Order. Resuming debate with the Hon. Member for Nunatsiaq.

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, after listening to the last speaker it would seem that he is prepared to ask the Minister of Indian Affairs and Northern Development (Mr. Cadieux) to reconsider the capping. The Hon. Member said that there is no capping, so I would urge him to tell the Minister not to cap the post-secondary funding.

I am pleased to have the opportunity to participate in this important debate, and I would like to congratulate my colleague, the Hon. Member for Kenora—Rainy River (Mr. Nault), for sponsoring this significant motion on native post-secondary education. At the same time, as he has also acknowledged, it is unfortunate that this debate had to occur at all.

We would not be engaging the Government in this manner if we thought its policy was the right one. Fundamentally, what is at issue here is who decides what is best for aboriginal people, the Government or the aboriginal people themselves.

What is happening now in the case of post-secondary education is a classic conflict with respect to decision making between a Government that makes and imposes unilateral decisions and the aboriginal people who must live with those decisions.

The Government has characterized its new post-secondary program as being better and more generous than the program preceding it. It has said that it has consulted with Indian people. If that were the case, why have Indians across Canada risen up in protest? Why have several Indian students felt compelled to take the drastic step of a fast or a hunger strike to call attention to this situation?

The Government has tried to tell aboriginal people that it knows best what is good for them, and it has tried to convey that same message to the Canadian public. The aboriginal people of Canada are not buying that message, we on this side of the House are not buying it, and more and more Canadian people are not buying it.

The importance of obtaining higher education is a relatively new priority for aboriginal people. For the vast majority of us, until quite recently getting an education meant alienation from our people and our communities.

For years, young Indian and Inuit children were taken from their parents and sent away to residential schools where they received instruction in a foreign language about a foreign culture and where they were punished for speaking their own native language. When these children returned to their communities, they experienced great difficulties communicating with their parents and fitting back into the life-styles and ways of the community. They did not feel at ease in the non-aboriginal community. Is it any wonder that under these circumstances, most aboriginal people did not wish to pursue higher education? The costs in terms of loss of language, family, culture and identity were simply too high.

Fortunately the Government began to make greater efforts to reduce those human costs. It began building more schools in the communities where the people lived. It began to pay more attention to the fact that most Indian and Inuit were not even completing high school. More funding was provided to improve the large discrepancies in educational attainment between aboriginal and non-aboriginal people.

As educational services became more relevant to Indian and Inuit students, people began to realize that obtaining a higher education could be of benefit to themselves and to their communities. Education came to be looked at as the way out of the poverty and despair that continued to characterize their communities.

As more aboriginal students made it through the elementary and secondary levels and obtained the prerequisites for post-secondary studies, more decided to pursue higher learning. In 1960-61 only 60 Indian students were enrolled in university. In 1986-87 over 13,000 were enrolled in post-secondary institutions. In 1985-86, 933 Indian students graduated from universities and colleges. As more and more students entered the post-secondary system the budget increased. The Indian population has also increased. In 1961 there were approximately 192,000 Indians. In 1987 there were close to 416,000.

• (1610)

It is important for Hon. Members to realize that the aboriginal population is growing at a faster rate than the non-aboriginal population, and the Indian student population even more so in recent years due to the passage of Bill C-31. That Bill passed by the House in 1985 restored Indian status to thousands of Indian people who had lost it previously due to discriminatory provisions in the Indian Act. The Bill also made it possible for many others to obtain Indian status for the first time. Consequently, between 1985 and 1986 the Indian population increased by 7.7 per cent. Between 1986 and 1987 the population growth rate was 7.2 per cent.

Of great significance is the fact that the Indian population is very young. Sixty-four per cent are under the age of 25. Even the Department of Indian Affairs recognizes that the Indian leaders are coping with a baby boom which is creating major demands for education, employment, housing and other services.

The disparity between aboriginal and non-aboriginal economic conditions continues. Incomes remain substantially lower. The average income for Indians on reserves is 54 per cent of the average for the general population.

The recent report of the Canadian Human Rights Commission had a blunt message for the Government about the conditions of the aboriginal peoples. The report stated: "The situation faced by Canada's native peoples is in many ways a national tragedy. The grand promise of equality of opportunity that forms the central purpose of the Canadian Human Rights Act stands in stark contrast to the conditions in which many native people live".

Despite the continuing social and economic discrepancies between aboriginal and non-aboriginal people, acknowledged most recently by the Canadian Human Rights Commissioner, the Government has decided to restrict the access of native people to the program which offers the best hope for the future.

The Government states that it has increased the post-secondary budget, and that Indian students can still get a post-secondary education under the new government guidelines. What the Government does not say is that the budget increase is below the increase in the number of students who are applying for funding. Therefore, a large number of Indian students will only be able to get their post-secondary education when it is convenient for the Government, and not when it is convenient for the students.

By placing a ceiling on the amount of funding available in a given fiscal year, by capping the program funding, the Government is restricting access. Students who apply for post-secondary assistance after the funds have been totally utilized will be turned down. That is a fact, and it has already happened. That is what the Indian students are protesting. Over the past two years hundreds of Indian students have been denied access to post-secondary institutions when they wanted to go, due to the lack of funding in the Department's program.

The Department of Indian Affairs refers to them as "deferred" students. These students meet the program criteria and have been accepted into the post-secondary institutions, but their applications for assistance have been refused because the Department has run out of money. They are told that they have to wait until money becomes available, either because some other student drops out, or because a new fiscal year brings a new budget. How can any student plan for the future under these circumstances?

With respect to the Government's claim to have consulted with Indian people about this policy, I would like to put this issue into proper perspective.

The Government's tinkering with this program began in late 1986 when it imposed a deadline for the receipt of students' applications. Many students were not even made aware of the deadline until it had passed.

Then in May, 1987, the previous Minister of Indian Affairs announced interim changes to the Post-secondary Education Assistance Program. He imposed a cap on the program budget at the time and instituted a system of priorities for student assistance. Student applications were placed into five categories and priorized by the Department of Indian Affairs. Those in category one would receive assistance before those in category two, and so on. Students in category five would only receive funding if there was any money left over after all other categories had been funded.

Hon. Members should know that these changes were imposed on Indian people with no consultation whatsoever.

The Government knew that some students would not receive funding as a result of these interim changes to the program. In his letter of May 12 to the Indian Chiefs and Councils, the previous Minister of Indian Affairs, while announcing an increase in the budget, also stated: "Unlike the practice in previous years there will be no further increases later in this fiscal year. As a result, we may find ourselves faced with more eligible applicants than we can support".

The Minister also specified: "No appeal can be launched against a decision by the Department, a band council or tribal council who refuse assistance to a student on the basis that funds are no longer available regionally for student allowances".

Hon. Members should also know that the Minister was making these unilateral changes to the Post-secondary Education Assistance Program without waiting for the results of a major study on education being conducted by the Assembly of First Nations. Funding for the study was promised by the previous Liberal Government, and this commitment was upheld by the new Government's Minister of Indian Affairs, the former Member for Rosedale.

In his announcement of May, 1987, the Minister also stated that further modifications to the program were necessary. Naturally, Indian people expected that their study, when completed, would figure prominently in future directions for the program. Unfortunately, according to the Assembly of First Nations, this is not the case. The new program guidelines do not have the support or approval of the Indian people.

The Government must change the way it deals with aboriginal people and their concerns. What it calls consultation is very much one way, the Government's way. If Indian people had truly participated in decision-making on this issue, we would not be debating this issue today.

There has been much discussion about figures and data over the past few days. In his speech last Friday the Minister referred to the need for better data in order to forecast demand and costs better. The Minister would be well advised not to rely too much on his departmental officials to obtain that data. It will probably be inaccurate, as it has usually been.

As an example, I refer to his Department's forecasting of the number of Indians who would be eligible for Indian status as a result of the passage of Bill C-31. Those forecasts were grossly inadequate. His predecessor admitted that in this Chamber in response to a question posed by the former opposition critic for Indian Affairs and Northern Development, the former Member for Cochrane—Superior. This colossal miscalculation was noted in the Fifth Report of the Standing Committee on Aboriginal Affairs and Northern Development which was submitted to the House last August.

The report noted that although the Department had originally estimated 65,000 applicants, it had been obliged, on the basis of applications pouring in, to revise that number upwards to 118,000.

When that Bill was in the House and in committee, Indian people told the Government and the Minister of the day that the Department's figures were far too low. The Government did not listen. The Cabinet allocated funding for reinstated people on the basis of a totally inaccurate estimate. This is but one example of the unreliability of the departmental figures. It is no wonder aboriginal people are skeptical about the Department's ability to plan and budget properly.

• (1620)

I urge the Government to accept the call to terminate its plans to cap this funding and allow all interested native students to continue post-secondary education. Is the Government afraid that we might get too educated or that it might get too many educated natives who will understand their rights and demand fair treatment from the Government?

Mrs. Dobbie: Madam Speaker, I appreciate the comments of my hon. colleague opposite. I commend him for seeking and winning a seat in the House. It is a pleasure to have him here. I listened with a great deal of interest to what he said, and with a great deal of empathy too. I might say also that the Minister feels that empathy and that interest in the concerns of the native people in this country. He is very concerned that the educational system, the post-secondary educational system for natives, be one that is relevant and meets the needs of native students in Canada. He has, therefore, met with the leaders of the community throughout the past two months. He has met with the students who have come off the hunger strike. He has illustrated and demonstrated repeatedly, and he has said so in this House, that he is prepared to adjust and to improve the program wherever necessary. He has said that his door will always be open to good suggestions for improvements.

I really cannot understand why anyone in this House would believe that a moratorium would serve any useful purpose whatever. I think it would be pointless. I think we must work together, as the Hon. Member has suggested, consulting and dialoguing to find the correct solutions for the best interests of all the individual natives in the country.

Ms. Blondin: Madam Speaker, I was listening with great interest and satisfaction to the presentation made by the Hon. Member for Nunatsiaq (Mr. Anawak). I commend him on his excellent presentation. Does the Hon. Member, feel with his background in business, that in view of the broad economic and community infrastructure created for native peoples across Canada, we can afford to have students on a waiting list for post-secondary education created by the capping of post-secondary education funding?

Mr. Anawak: Madam Speaker, I thank the Hon. Member for her question. I really do not think that anything can be beneficial to the native people if they are held back because of cuts in post-secondary education funding.

We are getting to the point where we are demanding that we have equal access to the business community, to all the other things that are available today, to ensure that we are not a burden on the rest of the Canadian taxpayers.

Perhaps I could ask the Hon. Member who spoke earlier whether she thought we had the right to post-secondary education. Let me point out that from my perspective I think we earned that right by the Indian people coming here 40,000 years ago, with the Inuit following 4,000 years ago, and being here to welcome the Hon. Member's ancestors 500 years ago when they came.

• (1625)

[*Translation*]

Mr. Côté: Madam Speaker, I listened with great interest to the Hon. Member's speech, and I think his comments were made seriously and in good faith. If I am not mistaken, the Hon. Member said at one point that certain authorizations or decisions emanating from the Department were not appropriate to the needs of the community. Let us suppose that is true, that the decisions were inappropriate. I would nevertheless like to point out that the Bill on the Table is aimed at giving our Indian communities more authority, and I wonder how appropriate the Hon. Member's own comment was, since from now on, the Indian community will be able to participate directly instead of going through the Department. It will now be able to take part in the decision-making process.

My question to the Hon. Member is: Does he realize that from now on, two-thirds of the programs may be administered by the Indian community?

[*English*]

Mr. Anawak: Madam Speaker, who administers the fund is not the point. At issue here is whether or not those funds are adequate. They are not adequate. The Department has simply transferred to Indian bands the responsibility for managing inadequate dollars. The bands are also administering the Department's programs and guidelines, not their own programs and guidelines. Further, the Minister of State for Indian Affairs and Northern Development (Ms. K. Campbell) earlier today referred to the need for the Department to obtain better data to be certain where the demand is because two-thirds of the bands administer the program. Since the initial limit on funds and interim changes were made to the program two years ago, Indian bands, organizations and individuals have expressed their disagreement with the policy and have told the Department that the changes are restricting access to the students.

If, despite these representations, the Government still does not know where the demand is, why did it proceed to make further unilateral changes to the program? Why did it not wait until it had determined, through proper consultation with the Indian people, the real nature of the demand and the need?

Mr. Kristiansen: Madam Speaker, I would like to thank the Hon. Member for Nunatsiaq (Mr. Anawak) for his comments. Let me state a concern. If the Government sets what appears to be arbitrary and unrealistic time limits on aboriginal students for completing degree programs and says that those native students left over after the cap is reached can apply for mainstream programs, what happens to people from a different culture and a different area if they are thrown into the pot with other students, many of whom come from families with long, academic, mainstream backgrounds?

I know from my own experience, both as a union representative and as a union minority relations officer in the western forest products industry, that even those within the majority cultures who come from families who do not have an academic background have larger drop-out rates and a more difficult time adjusting to the academic mainstream than do students from families whose ancestors have had post-secondary education. I know also, from that same experience, that problems of those who come from other minority cultures are compounded when added to the same problems facing working-class family students who do not have an academic historical background.

Can the Member give some idea of the impact that he has seen among people, especially in the far reaching areas of this country, perhaps even some individual or case histories? I just wonder if the Member for Nunatsiaq (Mr. Anawak) can perhaps give some individual or collective case histories, and some idea of the impact he has seen among people, especially in the far-reaching areas of this country's North, and the difficulties that those students have in adjusting to the kind of problems that even those of us have who come from the majority culture and urban areas when adjusting into the academic mainstream.

• (1630)

Mr. Anawak: I would like to thank the Hon. Member for his comment and question. In the North, and I say the North because that is the area I am most familiar with, we have been used to the education system for only the last 30-odd years. We have been introduced to that education system only in the last 30-odd years. What normally takes hundreds of years, we have been forced to go through within a space of three decades.

Hon. Members should be aware of the ramifications of going from totally living off the land—a hunting economy—to 35 years later living in a time of fax machines, television, instant communication, and the impact it has on that culture. Because of that, only now are we getting to the point where my generation is saying the importance of education cannot be under-emphasized. My

parents did not realize the importance of education, of English education, which we now do. They realized the importance of education of our culture, and I must say I was fortunate in having been part of that generation that was taught the Inuit culture as well as taking part in this change. But it is true that there is a tremendous impact. I can count on one hand the number of Inuit lawyers or Inuit doctors, partly because of the problem we have in adapting to the education system and to the cultural change that we have had to go through.

The Acting Speaker (Mrs. Champagne): Resuming debate.

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Madam Speaker, I welcome this opportunity to take part in this debate, because I have several Indian families in my riding, and especially because of the fact that for twelve years, when I was an insurance broker and businessman, I did business with the Indians on the Kahnawake reserve, and I have always had a keen interest their circumstances, both present and future.

Madam Speaker, a number of serious allegations have been made in recent weeks about the Government's commitment to providing funding for the post-secondary education of Indians and Inuit. Today, Madam Speaker, I would like to take this opportunity to set the record straight and give the House the assurance that we will continue to promote the interests of Canada's Indians and Inuit through education.

Here in Ottawa, Madam Speaker, a small group of Indian students have put their physical well-being at risk by starting a hunger strike to protest against the Post-Secondary Education Assistance Program announced last month.

These students are trying to obtain a moratorium on this policy. Such a moratorium is unnecessary, regressive and might be harmful to the interests of the majority of the students.

Madam Speaker, I am troubled by this gesture, and I find it hard to understand what they are trying to do. The new policy is clearly an improvement, if we compare it with the previous program known as the E-12 guidelines.

When the Post-Secondary Assistance Program was announced, the Government indicated that it would always be willing to consider recommendations from the Indian community.

Madam Speaker, the Minister of Indian Affairs and Northern Development also offered to work directly with the Assembly of First Nations, other Indian leaders and student representatives on a joint policy research and development program.

Under this proposal, all aspects of the program would be examined. Meanwhile, the new Post-Secondary Education Assistance Program would be available to students for the academic year 1989-90.

Madam Speaker, Hon. Members are aware that the Post-Secondary Education Assistance Program is one of the most successful programs ever undertaken by this Department.

Under the E-12 guidelines, the number of post-secondary students rose from 3,500 when the program was introduced in 1977-78 to about 15,000 in 1988-89. During the same period, the program's budget rose from $9 million to nearly $130 million.

Madam Speaker, we realize that even the most successful programs need updating and revising from time to time to meet changing of needs and emerging trends.

Madam Speaker, in this case, there was a need to increase the number of graduates, in other words, to ensure that larger numbers of Indian students finish their college or university education. And that, Madam Speaker, bearing in mind that the program's budget has to reflect today's economic reality.

A year ago, this Government announced that a consultation process would be initiated to make changes in the E-12 guidelines.

As part of this process, a draft policy was sent to all regions of the country, and meetings were held with Indian groups.

Madam Speaker, we were clearly committed to formulating a policy that met Indian and Inuit needs and aspirations.

Between July and December last year, representatives of Indian Affairs and Northern Development consulted with about 500 bands, tribal councils and students' groups.

These groups expressed their concerns and their recommendations were given serious thought. Following these consultations, the draft proposal which had been distributed in July 1988 was thoroughly revised.

Hon. Members who are familiar with the national study of the Assembly of First Nations on Indian education may have noticed that most of the study's recommendations concerning post-secondary education have been incorporated in the new policy. For instance, the Post-Secondary Education Assistance Program provides incentives and scholarships for students who want to take a course of study that would contribute directly to achieving Indian self-government and economic self-reliance.

Under the new policy, Madam Speaker, administering organizations have an even greater opportunity to participate directly in the post-secondary education process. The policy also establishes uniform rates of assistance which apply across the country, instead of the regional variations contained in the E-12 guidelines. Madam Speaker, the new policy also provides direct support to a number of Indian post-secondary institutions.

The new policy is a definite improvement over the E-12 guidelines in practically all respects. Tuition fees are now covered, regardless of time spent in post-secondary education. Allowances for living expenses are generally higher. These allowances range from $200 up to $1,355 per month for a married student with a spouse and three other dependants. Fifty dollars per month is provided for each additional dependant.

Madam Speaker, the new policy also provides for higher allowances for students living in areas where rental costs are highest.

Madam Speaker, these increased allowances are the direct result of the consultation process that I already mentioned. Moreover, the limits on student aid have been restructured. A student can now receive assistance for a college program, an undergraduate program and a program leading to a graduate diploma or a professional degree.

Students can also receive assistance for studies leading to a second bachelor's degree when a first bachelor's degree is a prerequisite. The new policy also presents an innovative system of incentive awards. The E-12 guidelines did not provide this kind of incentive. Indian and Inuit postgraduate students will receive a scholarship of up to $1,500. In addition, they will receive a special incentive award of up to $3,500 a year that will be given to students in programs that foster Indian self-government and economic self-reliance.

The new policy, Madam Speaker, also provides for scholarships to recognize academic success that will be awarded to students who maintain a B average or higher in their college or undergraduate program.

Madam Speaker, it is ironic that we are criticized for having set specific fields of study for the special incentive awards. The Assembly of First Nations recommended that we take such an approach. The changes to the program will ensure greater fairness and uniformity in administering this program. They will make it possible to put greater emphasis on academic success and obtaining a diploma. They will also enable Indian organizations to exercise greater control and provide better support for the objectives of Indian self-government and economic development.

Madam Speaker, this program is essential for Indians to take charge of their future. It is a good program. It is a generous program. In reality, it is the best in the world. A moratorium at this time would only benefit a limited number of students; a much larger number would suffer. We must therefore go ahead with this program and we intend to do so. I urge the Minister to do so.

• (1640)

[*English*]

Ms. Blondin: Madam Speaker, I would like to preface my question with a few comments. First, I would like to quote the words of the Minister of State for Indian Affairs and Northern Development (Ms. Campbell) when she was talking about the independence of the aboriginal community. She said: "The essence of democracy is that communities make decisions on the management of their affairs right in the community—. I have the highest confidence in the ability of the Boothroyd Band to manage its own affairs—".

How can the Hon. Member justify the Government and the Prime Minister (Mr. Mulroney) allowing an unprecedented move to erode the unique constitutional status of aboriginal peoples by making a move to change this program policy without an adequate database and proper consultation with the aboriginal peoples of Canada? How can he justify that?

[*Translation*]

Mr. Jourdenais: Madam Speaker, I thank my colleague for asking me such a question. I just said in my speech that under the new policy, the Indian bands and organizations would be responsible for administering the program and they can do so now. If I understood the question correctly, she says that we did not consult. I also said in my speech that we consulted the bands as well as another organization whose name I forget—I apologize. But with the new policy, Indians will be able to ensure their own security, they will be able to choose themselves and decide on their appeal process, their own guidelines, manage their budget according to their own rules and procedure. What more does she want, Madam Speaker?

Mr. Prud'homme: Madam Speaker, as always, I listened very dutifully to the Hon. Member's comments.

Mr. Côté: Towards the end!

Mr. Prud'homme: I heard someone say "towards the end", and it was my old friend—I prefer to call him by name Mr. Lopez.

Madam Speaker, we can listen—

An Hon. Member: Not him, the new Member!

Mr. Prud'homme: Oh, the new Member for Richmond (Mr. Côté) says it was towards the end.

The Hon. Member should realize that we can listen to a speech in our offices, and I always listen to my hon. colleagues. If we are interested in commenting, we rush to the House.

I think that the Hon. Member's remarks were eminently sensible, although it sounded very paternalistic.

I would like to ask him: Does he realize, or would he care to comment—I could speak until my time expires but I would rather ask him: These people who were forgotten, these people who have been frustrated and ignored,—I know what he is going to say, but I want to have my say as well—don't we have a collective responsibility across this country to pay more attention to these people who were the first citizens of this country? I know and the Hon. Member knows, being a Francophone, a Québecer and a French Canadian—I prefer the term French Canadian myself—that our ancestors took this land. Doesn't that give us an additional obligation? An obligation to understand, first of all, that these people want to be themselves? The Hon. Member knows I support the clause in Meech Lake which says that Québec is a distinct society. If anyone is truly distinct and has the right to be recognized as such, I think our first citizens are in that category.

If we accept this as a given, we must be consistent and say that this is certainly one area where we cannot afford to cut back.

Mr. Jourdenais: Madam Speaker, when I saw the Hon. Member come in the House, I knew why. I know the Hon. Member very well.

He said a few things that struck me. I know he is going to accuse me of petty politics, but he said that the people who arrived in this country 5,000 years ago as his colleague pointed out, and he is mixed up, because he said 40,000, 5,000—but in any case, they were already in this country before we French Canadians arrived—

Mr. Prud'homme: Well before!

Mr. Jourdenais: Well before. He said they had been frustrated and ignored.

Was the Hon. Member not part of a government that frustrated and ignored those people for twenty years? Could he explain this extraordinary about-face in the Liberal Party which is now saying that we must help them, we must do this, we must do that? Something they conveniently forgot when they were in power.

Between 1977 and the present day, we have increased the budget by $130 million, and the Minister has even said that if it were necessary, he would go to Treasury Board, and he said that from now on, under the new program, there would be no more frustration as my hon. colleague said so eloquently.

I know that the Hon. Member has been here for 25 years. He is our most senior Member. I know that he sets himself up as a champion of minority groups. We talked about this last week when we met. However, I wonder—I have followed his career, as I said earlier, but I did not follow every single debate in the House. I did not have the privilege, since the proceedings were not televised at the time. I met him several times at conferences. But I never heard him defend the Indians the way he just did here in the House today.

Mr. Prud'homme: On a question of privilege, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis.

Mr. Prud'homme: Madam Speaker, I take those comments very personally, because for 25 years I have been repeating the same thing across this country, that we must respect our first citizens. I did not start today. I am sure the Hon. Member didn't follow me around every day to find out what I was saying. I suggest he take a look at my speeches in the House. Not that I want to bore him with all that, but I do take this personally, and I know that he would not really want to challenge something I would be able to prove. He can say that my Government may have been negligent, That is fair ball. We may not have done everything we should have done, but he should remember that his Party has been in power for five years.

If he wants to criticize me personally, I protest, because I could name a number of occasions on which I spoke, across this country. I travelled across Canada in 1972, and I repeated the same thing to the Committee on the Constitution. So I don't think I need any advice in this respect.

I suggest that the Hon. Member join me in explaining to Canadians where our responsibility lies, and I think that we should each do what we can. Let the Hon. Member say, and I agree: The Liberals could have done more. But we were judged accordingly. Canadians turfed us out and they put their trust in you, so it is your turn to try, and try harder.

The Acting Speaker (Mrs. Champagne): I think that the Hon. Member for La Prairie might wish to answer this question raised by the Hon. Member for Saint-Denis and we can continue the debate right after. The Hon. Member for La Prairie has the floor.

Mr. Jourdenais: Madam Speaker, I understand the Hon. Member for Saint-Denis. Since I have known him for five years in the House, I have seen him in action, for every time that minorities were an issue or he had a question or wanted to express his opinion or defend them, he always rose and he always has the Standing Orders at hand.

I told him that it was the Liberal Party. If it seemed to be only you, let us say that I probably made a mistake, because since we have been working together, although we do not belong to the same party, we both have the same idea.

From now on, with the new program for Indians, I can guarantee you that we will stop disregarding them the way the former Liberal Government did, as you just said.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now over. Resuming debate. The Right Hon. Leader of the Opposition (Mr. Turner).

• (1650)

[*English*]

Right Hon. John N. Turner (Leader of the Opposition): Madam Speaker, I want to first of all congratulate my colleague, the Hon. Member for Kenora—Rainy River (Mr. Nault), for putting forward this exceptionally important motion which has occupied the attention of the House during the past two days. At the same time I would like to congratulate the Hon. Member for Nunatsiaq (Mr. Anawak), our colleague in the Senate, Len Marchand, for his efforts in the last few days to help resolve what has become a very sad situation. May I also pay particular tribute to my colleague, the Hon. Member for Western Arctic (Ms. Blondin), who is our Liberal critic on aboriginal affairs. She has lately put in very long nights attempting in a reasonable way to make our Government see the unreasonableness of its policies. The Hon. Member for Western Arctic is doing the job with our native people that the Minister should be doing.

I want to congratulate these Hon. Members, but I do so with a good deal of sorrow because it is unbelievably regrettable that in a country as rich and generous as Canada, we have a Government which refuses to provide basic rights to our native peoples.

What is happening in this country today is quite straightforward. The Conservative Government since the election has dropped any facade of moderation. It has stripped away the election rhetoric. It has become a right-wing bully-boy. The velvet glove of campaign promises has been replaced with the brass knuckles of tough-guy politics.

The Government is engaged in a three-part strategy. First, dishonour those election commitments where they cost too much; thereby, of course, bringing discredit upon the whole profession of politics in this country. Secondly, to act vindictively toward any people, any group of people or any province that may disagree with the Government. The recent outburst from the Florida Panhandle of the Minister of Trade in respect to the election of Clyde Wells as the new Premier of Newfoundland is typical. Thirdly, make the most disadvantaged, the most defenceless, the most impoverished,

those without clout, make those people in our country pay first for four and a half years of Conservative economic mismanagement.

I suppose you might say that that is a harsh indictment. But it is one that the Government has brought upon itself. Listen to what the Prime Minister (Mr. Mulroney) used to say. He told the First Ministers' Conference in April, 1985, and I use his words, "As a Canadian and as a Prime Minister, I fully recognize and agree with the emphasis the aboriginal peoples place on having their special rights. Improvements to the economic and social circumstances of aboriginal peoples must be pursued at the same time as changes to our Constitution. Action is required on both fronts."

The Prime Minister also said, and I quote him once again, "Policies regarding aboriginal people will be made after open public consultation, especially at the grass roots level". That was what the Prime Minister used to say up to and during the election campaign. How can he possibly reconcile those words with the policy of capping funding for native post-secondary education? I have heard the Minister of Indian Affairs and Northern Development (Mr. Cadieux) say in this House that he has consulted over 500 native groups across the country. What he does not say and what we have learned is that not one of those 500 groups agree with this particular policy.

So there we have it, part one of the current Tory strategy: break your word at every opportunity. You can get away with it. Then we move to part two of his strategy: the tough guy vindictive attitude.

[*Translation*]

A group of native students is on a hunger strike to protest a policy that is contrary to the Prime Minister's own commitments. These students are on a hunger strike to draw attention to the urgent need for funds for post-secondary education. What is the Minister of Indian Affairs and Northern Development (Mr. Cadieux) doing? Will he sit down with these students to discuss their legitimate concerns? Does he remember that he too was once a student and that he was a student protester? No! He treats them as though they were guilty of a criminal offence. He is inflexible. He tells them to go back to school. He makes them understand that he, the Minister in the federal Cabinet, is the one who matters and that the students do not have the right to speak on behalf of the native people of the country. He makes them a promise. He tells them that if they end their hunger strike, he is ready to negotiate with them in good faith. Some students take him at his word. They suspend their strike. They meet the Minister and he answers them, in effect: What you are doing is useless. I do not intend to change my policy.

These young men and women, already on the 32nd day of their hunger strike, are endangering their health. The Minister is deaf to all pleas and absolutely refuses to be moved.

The Government and the Minister are so afraid of being weak that they forget that it shows greater strength of character to be open to forgiveness and pity.

[*English*]

So we come to the third part of the Tory strategy: make the weak and the poor, the dispossessed and the disadvantaged pay for the Government's mismanagement. Make the most disadvantaged people in the country pay for deficit reduction. As the Commissioner for Human Rights said in his last annual report—these are Mr. Yalden's words—"An Indian youngster in Canada has a better chance of being sent to prison than completing university". What an indictment. In the face of that indictment, what does this Government do? They cap appropriation for native post-secondary education and they deny hundreds of native Canadians the opportunity to go to university.

Let us have a few facts on the floor of the House, Madam Speaker. Today, more than half of Canada's native population is under 20 years of age. Any government that wanted to call itself enlightened would see that native post-secondary education is a tremendous opportunity to end the cycle of poverty among our aboriginal people. It is bitter irony that the results and achievements and participation of Indian students under the program are the very reasons the Government gives for denying other Indian students access to the program.

• (1700)

This program has been a success story. The Minister likes to boast about it. He tells the House how much more money has been spent on it. Why? It is because the native young people of this country finally recognize that the one way out is education. They have flocked to this program because they know they can have a better life than their ancestors have had since the white man came to this continent. That is what they are concerned about. It has been the success of the program that has prompted the Government to cap it.

The income level of native Canadians is only 50 per cent of the national average. The unemployment rate among native Canadians averages 55 per cent. We know that it is well over 90 per cent on some reserves.

What does the Government do? It reduces levels of assistance to individual students, making it difficult or impossible for many to complete their education.

I want to bring some more alarming statistics to Your Honour's attention. Only 20 per cent of native Canadians have finished high school, compared to 75 per cent of all Canadians. Nearly 40 per cent of native Canadians have less than Grade 8 education. Violent deaths among aboriginal peoples are three times the national average. Infant mortality is 60 per cent higher than the national average. Hospital admissions are two and one-half times the national average. The life expectancy of native peoples is 10 years less than the national average.

What does the Government do? It does a cost control exercise on the one program that was providing native people with the initiative, the gumption, the hope, the commitment to broaden their aspect of life and become more fully Canadian and able to participate with what the country has to offer. It is one program that was really working, because 90 per cent of all Indian young people who have achieved post-secondary education are employed.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I cannot understand it. I have had the opportunity to serve in this House for a long time. I was at a funeral this morning for the late Jim Walker who entered this House with me in 1962.

The Government's policy is not only immoral. I do not often use that word because we have arguments in this House that go right to the heart of matter, but this one is immoral. It is not only unfair. It is not only stupid. It is also lousy economics.

The Minister, who is entering upon this portfolio, should be looking for ways to enhance his credibility with his constituents, the native people who he represents on the floor of the House of Commons.

This is a program of native post-secondary education which is working and produces a healthy, trained group of young Canadians from the native community. It is a program from which 90 per cent of them are now gainfully, usefully employed.

Given a choice between that and the foolish alternative of limiting native post-secondary education, what would that do? It leads to more unemployment. It leads to more violence. It leads to more drug abuse. It leads to far higher cost in social assistance. The Government has chosen the wrong course of action, a disastrous course of action.

[*Translation*]

Nevertheless, it cannot be said that the program is not working. In 20 years, the proportion of native students attending university has increased from 1 to 12 per cent. Of course, this is still less than the national average, but the progress is encouraging. We can be optimistic, the potential is there and solutions are in sight.

The Government cannot say either that it did not know that passage of Bill C-31 would result in increased demand for post-secondary education for native people.

[*English*]

The Prime Minister (Mr. Mulroney) tries to take credit on the one hand for Bill C-31, which has encouraged approximately 110,000 native people to seek reinstatement under the Indian Act.

On the other he is saying, now that we have this increase in population, that we cannot afford the primary program which allows the next generation to succeed. That lack of logic does not persuade me and should not persuade the Minister. That is why the Human Rights Commissioner called the treatment of our native peoples a national tragedy.

Despite this two-day debate, the Government seems hell-bent on perpetuating that national tragedy. Are the requests by the Assembly of First Nations so unreasonable? Is it so unreasonable to request a moratorium on the new policy until next April 1? Is it so unreasonable to remove a cap on post-secondary education all together? The Conservatives' own Member, the Hon. Member for Wetaskiwin (Mr. Littlechild), did not think so when he marched against the Government's policy on March 22. I give him credit for guts.

I say to the Minister that if the Government will not listen to the students, if it will not listen to the leaders of the native people, the Assembly of First Nations, if it will not listen to us here in the Opposition, surely the Minister might listen to his own Member of Parliament who knew what he was doing and is close to his people.

I am simply saying to the Minister that of all the promises to break—and there will be a good many of them broken here Thursday afternoon when the Minister of Finance (Mr. Wilson) stands up—do not break the ones given to our aboriginal peoples. Of all the groups in the country with whom the Government wants to get tough, do not get tough with young people who are pressing for justice. Of all the programs that are up for review, do not cap the one program which is really working, which is truly working in bringing an end to over 200 years of injustice and discrimination, poverty and despair among our native people.

There is still an opportunity for the Government to bring some honour to itself in this sad affair. There is still an opportunity for the Minister to regain credibility with the constituents he should be representing in the House. I urge the Minister and the Government to seize that opportunity.

Far more important than the Government's credibility, than the Minister's sense of esteem with the native people, far more important, there is still an opportunity for the Government to provide more hope for our native people. I urge the Government to provide that hope.

This is as human an issue as we have had for a long time in the House of Commons. This is why our Members are so incensed by it, and why members of the New Democratic Party are concerned. This is why we asked for a two-day debate to use the precious time given to us as Opposition in the House of Commons, because nothing is more important to us than the fiduciary relationship we have—

[*Translation*]

—our position of trust, especially towards the next generation, which is already disadvantaged.

[*English*]

I want the Minister to take this all very seriously because nothing has gripped our sense of purpose more than this debate and this particular subject.

Some Hon. Members: Hear, hear!

Mrs. Dobbie: Madam Speaker, I listened with interest to the right hon. gentleman's discussion of the issue. My question for him is one to which I have not been able to get an answer from his colleagues.

I am sure the right hon. gentleman is aware of the fact that one of the three demands of the students is recognition of post-secondary education as a treaty right. Will the Right Hon. Member answer the House once and for all on whether or not his Party supports the idea that has been dodged so artfully by his colleagues over the last few days? Does he support post-secondary education as a treaty right?

Mr. Turner (Vancouver Quadra): Madam Speaker, I will answer the Hon. Member directly. However, I want to preamble what I have to say by suggesting that whether or not this is a treaty right it is a human right for every young person in this country to have a right to education.

Her Government has never recognized the inherent constitutional rights of our native peoples, the rights that preceded the arrival of the British Crown on the northern half of this continent.

There are those bands who sincerely believe that in the way their treaties were drafted, education is among those treaty rights. Coming back to Ottawa the other day, I was on the airplane with the Hon. Ray Hnatyshyn and we argued this particular issue.

• (1710)

Many of the bands feel that within their particular treaties, education is among those rights guaranteed by the British Crown. We would have to examine the whole panoply of treaties. We have consistently felt, however, that fundamental to the rights of any young person is the right to education, particularly for Indian people living on the reserves. It is the only way to break out of the cycle of poverty and despair. The Hon. Member raises her eyebrows but I am saying that the only way out is education.

The program started 20 years ago and it is working. The reason the Minister has to cap it is that it is working. There is not a fraud here. There is not a crime here. There is not a group deceit here. There is a desperate attempt on the part of a whole generation of young Indian and native peoples to join us within the full rights of Canadians. That is what this is about.

Frankly, I would be prepared, if I were given the brief, to argue the treaty rights as including education. To be absolutely frank to the Hon. Member at this stage, we must go back and examine the language of every one of those treaties.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, it gives me a great deal of pleasure to rise today to speak on this issue. I have listened very carefully over the last few days and have heard many, many comments. I have heard a lot of misinformation and much of the misinformation came this afternoon, shockingly enough, from my right hon. colleague across the way.

I would like to set the record straight on a couple of things. Consultation did take place with over 500 groups. The Right Hon. Member is mistaken when he suggests that not one of those groups supported the new policy. That simply is not so.

I would also like to remind the Right Hon. Member that the Minister has met with the students who stopped their strike, and he listened very carefully to what was being said. He did this in preparation for further dialogue with the students. If we do not build that kind of relationship in which there can be honest and open dialogue, we will not resolve the outstanding questions, and there surely will be outstanding questions. The Minister has established a relationship with the native community that will be very productive for us in the future.

We have all listened over the last few days to my colleagues who have been discussing the Indian Post-Secondary Student Assistance Program with a great deal of vigour. As they have pointed out, in many cases it is one of the most successful programs the Department of Indian Affairs or this Government has ever undertaken. It was originally designed to encourage registered Indians and Inuit to get a post-secondary education to help them achieve economic self-sufficiency.

Under the new program the objective is to encourage graduation, to get them out of school and into the jobs in order to pursue those 90 per cent of opportunities we just heard about. However, they must do so with the qualifications and skills that are necessary to get those jobs in the first place. Of course, the ultimate goal is Indian self-government and economic self-reliance, a worthy goal that I am sure my right hon. friend will support.

In fact, the program is an excellent one. It is carefully tailored to meet the needs of Indian students. To help dispel the confusion over the program, confusion that has been again created today, I would like to go over some of the highlights of it because they bear repeating.

First, the budget for the post-secondary education program has increased significantly in recent years. There has been a steady increase in funding which has grown from $4.2 million in 1975-76 to $130 million this year. In addition, specific additional funding has been provided to meet the needs of students who have regained Indian status under Bill C-31. In fact, during the past two years alone, the budget has increased by 10 per cent in each of those years to meet the needs of additional students.

Each year carefully compiled estimates are made of the number of students expected to apply for entry into the program in the coming year, and the appropriate funds are budgeted according to those estimates. That is a reasonable approach. Under the new policy students will be eligible to receive funding while they attend such things as upgrading classes. They will be eligible to receive funding to go to community colleges or to obtain undergraduate degrees. Should they wish to obtain advanced or professional degrees, there will be funding for that as well.

Student allowances will be provided for the official length of the program—three years for a three-year program, four years for a four-year program and so on. In addition, a year at each level may be provided when required for a student to complete a degree or diploma program.

Under the old E-12 guidelines tuition assistance had specific student month limits which governed tuition allowances and registration fees for individual designated periods, and the maximum limit of possible assistance was 96 student months. Under the new program there are no time limits to tuition assistance. There are time limits governing living allowances, but these limits continue to provide support for a student from the first year right through to the doctorate level.

Students are also eligible to receive support for university preparation if it is required. We want students to plan their programs with an eye to completing their studies to a successful conclusion that will allow them to play a vital and active role in Canadian life. The program is designed to achieve this.

The new guidelines also provide a national standard rate structure for living allowances which replaces what went before, a confusing and wide range of regionally determined rates. The new program will guarantee equal treatment for students across Canada. Just in case there is a problem, the new standard rate generally represents an increase over average rates provided under the old policy.

For example, a single student living away from home now gets an average of $675 per month compared to $667 last year. In addition certain students, with dependants, studying in very high rental areas will be eligible for an increased monthly allowance to cover additional housing needs.

My colleagues have previously pointed out that grants for single students are equivalent to a full-time job paying $4.96 per hour. The grants paid to a single parent student with three dependants are equivalent to a full-time job paying $12.14 per hour, but I think these points bear repeating. That is not all. There are also annual scholarships of up to $3,500 for those who successfully undertake studies in areas which will aid Indian self-government and economic development. Students who follow programs in commerce, business and public administration, economics, science, mathematics, computer sciences, forestry and engineering will have an additional incentive to pursue these studies with great vigour.

Our program is gearing up for excellence, and we are determined that native people will be equipped to manage their own affairs, equipped with the appropriate education. In pursuit of this goal, students who work hard and do well are also eligible for annual scholarships of $1,000 based on academic achievement. These awards are available to up to 5 per cent of the student enrolment in each category. This is a significant improvement over the old policy which did not provide for this kind of support and encouragement.

Perhaps one of the most important aspects of this policy is the fact that it can be administered by Indian leaders themselves, the people who are in a position to see that the program meets the real needs of the students it is designed for. This kind of self-supervision can only enhance, in my opinion, the effectiveness of the program and contribute to the dignity of those who are enrolled in it. I think that is extremely important.

As for the amount of funding, we have heard a great deal about that in the last couple of days. We have heard much negative comment from our hon. colleagues opposite. I can only report that this student assistance program is one of the most generous of its kind in the world.

I pointed out earlier today that there are 15,000 students in the United States who shared a total funding of $32.9 million last year. That compares to Canada's 15,000 students, the same number of students, who will share $130 million in funding this year. Canadian Indian students receive almost four times the support of their American counterparts. Clearly that demonstrates the new policy is a reasonable one and a responsible one which represents a great improvement over the previous guidelines.

• (1720)

The Government is not only listening to the concerns of the Indian and Inuit people. It is also responding to those concerns. The Minister has repeatedly stated that he is totally open to all suggestions for improvement to the program. I do not know how he can make it any clearer. He has demonstrated his willingness to make adjustments where shown to be desirable and sensible.

The Government has played a leadership role in improving opportunities for access of Indian and Inuit students to post-secondary education. It is no accident that enrolment has risen from fewer than 3,500 in the late 1970s to more than 15,000 today. We heard the Hon. Member congratulate us on the success of the program that brought the numbers to 15,000.

Our policies have been instrumental in opening forever the educational doors that were closed to our native communities in the past, including the period of time when Members opposite were in a position of power and in a position to make decisions that would have had a long lasting beneficial effect on the native peoples of the country and perhaps would have had them advance far beyond where they are now. However, we are starting with something, and I think we are making tremendous progress.

In the last few days we have heard a great deal of lip-service in the House, but we are doing more than simply paying lip-service to the importance of post-secondary education in the economic, social and political development of Indian and Inuit communities.

We have developed policies and have provided funding to ensure that there will be more Indian doctors, nurses, engineers, commerce graduates, lawyers, teachers, and other professionals. The new policy builds on previous successes and significantly enhances the opportunity for Indian students successfully to complete courses of study which will allow them to engage in useful and rewarding occupations that will put them in the mainstream of Canadian life. That is the point of this program.

Indian students must have access to post-secondary education today if they are to take advantage of tomorrow's employment opportunities. We all agree with that. We all feel strongly that if they are to be able to develop and operate their own businesses and institutions of self-government and contribute to a better quality of life in their communities, as well as play an active role in Canadian society, the educational system must be relevant and must produce graduates.

The Indian and Inuit people have a great deal to offer and much to contribute to Canada. Their affinity with the land and their understanding of the natural order of things have much to teach us, and we must be prepared to listen. When listening we must open our hearts and our ears in order to get a better understanding and thereby benefit from this experience. The Government and the Minister realize this. I believe the Minister is wise in his knowledge that productive dialogue can only take place in an atmosphere free from coercion.

In conclusion, it is important to commend the Minister of Indian Affairs and Northern Development (Mr. Cadieux) for his dedication and leadership in introducing this policy for post-secondary student assistance. The program is one of the finest and most successful that Canada has ever developed. If Hon. Members opposite were to search their hearts and be honest, I believe they would admit that it is a generous, fair and reasonable program. The Minister is also to be congratulated for his commitment to Indian and Inuit people in general, and for his leadership and his commitment to post-secondary education.

The negative reaction that we have seen and heard in the media is most unfortunate, and it is most unfortunate that it is based on inaccurate information and inaccurate perceptions. There is still a perception that the draft policy which was used as a basis for the consultations which were carried out was used as a basis for the final policy. I would like to make it very clear and set the record straight that the final policy has been revised and improved as a result of that consultation process.

The Minister has repeatedly stated his willingness to make more changes and further improvements should they be needed. He is willing and eager to sit down in a calm and rational fashion to discuss additional changes and improvements. The consultations are not over. They are ongoing and continuing. The policy has changed and it will continue to change with the times.

In 1977-78 it cost $9 million to send 3,500 Indian students to university or college. That has been improved and 15,000 are covered under a budget of $130 million. The program will be continually improved as the need arises. It must be continually reviewed to address appropriately the changing needs and the aspirations of Indian youth. It is a reasonable and a responsible program that offers a better way of life, a life of independence and dignity for the coming generation of native people. I believe that the Minister and the program deserve the full support of the House.

Mrs. Finestone: First, I listened with a great deal of interest to the very fine speech given by our own colleague, the Hon. Member for Nunatsiaq (Mr. Anawak). I only wish that the Hon. Member who just completed her remarks had listened a little more closely.

Second, I wish that the Hon. Member had sat in on the hearings or read the transcripts of the hearings held by the Standing Committee on Indian Affairs. I was a member of that committee when it changed the Indian Act to recognize and acknowledge women in the Indian society.

I certainly recall the two meetings of the First Ministers' Conferences in which I was in attendance. I was also part of the committee that looked at employment equity and, sad to say, recognized the inadequacies of that Bill, as well as the Indian Act.

We now recognize something that the Member does not seem to have thought about, the fact that we have had a very large increase in a young population. We have a vibrant source of new employers and new employees in Canada, and the Hon. Member does not care to ac-

knowledge the aboriginal people's potential contribution to the growth and development of this land, which is their land. This is our land; this is their land. They are part and parcel of that land.

If the theory the Hon. Member was propounding were applied to the Unemployment Insurance Act, we would only pay off the first half or quarter who applied. If the theory were applied to those who are now arriving at age 65, perhaps old age security would not be paid after the month of March or April because the funds would have run out.

Is that the way the Hon. Member is suggesting, first come first served? Is there to be a cap because there are too many bright, young, competent people who have evolved through a system which has only been in operation a bare 20 years?

It is effective, but it is being capped because it costs too much money. If the cap were removed and all the brave young students were served—and I do not particularly agree with the procedure used—it would cost the equivalent of one five-thousandth of the national debt. If the moratorium were taken off, it would cost one-fiftieth of 1 per cent of the national debt.

Would the Hon. Member tell me why those young people, the future of the country, are being attacked for that type of extra money which is equal to one-half the money the Government spent on advertising in the past year? What is the Hon. Member's point, and what is her beef?

• (1730)

Mrs. Dobbie: Madam Speaker, obviously the Hon. Member is the one who doesn't listen or she would not have made some of the comments that she did.

Some Hon. Members: Hear, hear!

Mrs. Dobbie: All students who wish to apply for post-secondary education in Canada will be accommodated. There is no question that there will be dollars to pay for those students to go to school. If the estimates are not accurate—and we have said from the very beginning that there is a possibility that the estimates may be lacking because we do not have the kind of tight data we need—some applicants may have to wait a year to get into the program. But I wish the Hon. Member would stop trying to twist the facts and pay attention to us when we say that all students will eventually be accommodated, that no students are being turned away or deprived of a post-secondary education.

We are not talking about theory here. The Hon. Member mentioned a theory. I think we all agree, and I listened very carefully to her remarks, that education is a fundamental need, a fundamental right of all human beings. There is no question about that. Indian youth and adult Indian students are as entitled to post-secondary education of a high quality as anyone else in this country. If we can do anything at all to make it easier for them to access that, we will. As I have said, and as the Minister has said repeatedly, there is plenty of opportunity to make adjustments where it is required. If a student feels that he has in some way slipped through the cracks, the Minister's door is open. He will listen and he will try to accommodate. Surely there is not much more that this Government could do to accommodate the needs of Indian and Inuit students in this country.

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I might ask one question that has been asked a number of times but to which we still have not had an answer. If I heard correctly, the Hon. Parliamentary Secretary said that under this program some students will have to wait a year to go to a post-secondary institution. If that is what she said, might she say it again so we can all hear it clearly?

There is another question that has been asked three or four times. Supposing under the present scheme the number of students who apply are in excess of the number of dollars available for post-secondary education. In other words, there is not enough money in the present $130 million to enable whatever number of students who apply to go to a post-secondary education institution. Will the Government automatically increase the budget to make available sufficient funds for students to gain access to post-secondary education? Or will the Government prevent some students from gaining entry to post-secondary education institutions through lack of funding? Can we not have a simple answer to a simple question? Will there be some students left without adequate funding to go to post-secondary education institutions if the $130 million does not cover those who apply? If there are a few extra students, will they get funding? It is a very simple question and it has been asked about eight times, yet we still do not have an answer.

Mrs. Dobbie: The answer has been given before, Madam Speaker. The Minister has given the answer repeatedly, and the answer is simple. First, some students may have to wait up to a year. Will there be money to take care of their needs when the appropriate time comes after that period when the next budget is set? The Minister has stated that he will find the funds to cover the needs of the students. He will go to Treasury Board and ask that the budget be set at a higher rate for the subsequent year.

I think Hon. Members opposite have to agree that it is only good, sound, sensible management that sets a budget for any program. We do not write blank cheques for anything we do in this country. If we do, we end up in the kind of trouble that we are in right now, so far in debt that we are becoming a laughing stock to the rest of the world. This Government is trying to run a fair, reasonable and generous policy under guidelines that will allow for planning and for appropriate budget-setting for the future. There is nothing unreasonable and nothing difficult about that.

• (1735)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, it is my pleasure to be the final speaker on this very important two days of debate in this House. I do so as the Member of Parliament for some of those people who were on a hunger strike, for some of those who are currently on a hunger strike, and for approximately 800 students at Lakehead University and Confederation College in Thunder Bay, 800 individuals who have chosen to pursue a new future for themselves and for their communities. They see this policy, this change brought in by the Conservative Government to the E-12 guidelines, as limiting the abilities of their brothers and sisters, both literally and in blood, from getting the same kind of access they are now enjoying.

There is nothing that provides greater pleasure than going to the graduation ceremonies at Lakehead University each spring and seeing, year after year, more and more native students graduating. They are graduating from special native study programs, aiming to return to their reserves to work in concert with their peers, their elders and their children. As well, they are aiming to get into the so-called mainstream by applying for jobs outside the reserves to provide services to native and non-native alike. As Bob Rosehart, the President of Lakehead University is quoted as saying in Saturday's *Star*: "These people provide the very positive role models that the communities themselves have been seeking, to say, yes, we can do it. It is not only possible for us to go to Thunder Bay and get an education at the post-secondary level and to come back with a diploma or a degree, but we can bring back with us the knowledge that will assist our communities, be they reserve-based communities or non-reserve communities, in improving our ability to be self-sustainable as a society". That is why it is important that we maximize this investment by the Canadian taxpayers in the educational system.

Just before I spoke there was an exchange between one of my colleagues and the Parliamentary Secretary, who clearly said there would be up to a one year delay for those people who wish to take post-secondary education under this program, but because of a funding cap they would be unable to do so. Who will be the ones delayed? Will they be the high school graduates who come from far northern or remote communities? Will they be told they will have to wait for another year? We know, and there are those who have more expertise in this than I, that the moment you break the educational pattern, the chances of going back to school are virtually nil, particularly for females.

Will it be the adult students who, after years of welfare perhaps, or employment that is not conducive to their community or because we, as a society, have destroyed their natural resources, be they fish, animal, forests or what have you, all of a sudden finally get it all together and say, yes, I have the motivation to go back to school and learn something I was unable to do as a child? More than likely, some did not even complete high school, if they ever went to high school. Are we now to say they will have to wait one more year because we do not have enough dollars and cents. We do not have that extra $9,000 to take them from their remote community to a Thunder Bay or to a Saskatoon or some other city with a university or community college? After those individuals have developed their own motivation, because they know the resources are there, are we going to say no? And does that really mean that we are saying no forever because they will ask, why bother?

• (1740)

Every time we throw another road block in the paths of native Canadians we are doing them a disservice. We should be bending over backwards to give native Canadians full access to our post-secondary education. Not just for a B.A. With all due respect for those who have their B.A., what can you do with a B.A.? You do not even need a B.A. to run for Parliament. You can actually be a high school dropout and get here as well. But the important thing is that they have to have the ability to go on to get into the professions. Doctors, lawyers, accountants, pharmacists and nurses, the whole gamut are important for these communities to have the skills practised by people who are their own, so that they understand the nuances, understand the needs. That is why this is so important.

A lot has been said about the Minister's desire or willingness to keep talking between now and September, and that if the Minister can be convinced that there is a need to change it, he will change it. But the reality is that those individuals who are planning to go to first-year university or first-year community college next year must plan that now.

Our kids are waiting for decisions from the universities as to whether they are accepted. Native kids are too. They need to know that the dollars and cents are in place so that they can make that commitment, so that when school starts on September 4 or 5, they will be there. They need to know about accommodation. They cannot find accommodation the week before university starts. They need to line that up months ahead. If they are coming from one of those small isolated reserves in northern Canada, in northern parts of the provinces, or in an area that is distant from the educational centre, and they are moving not just themselves but are moving children and spouses, they need the time to properly plan and make arrangements in order to have appropriate accommodations for their needs.

That is why we have said put it on hold for now, put a moratorium in place, at least on the negative aspects of the changes, so that the First Nations for the students can work with the Minister and the Department to develop appropriate guidelines that will allow an implementation in September of 1990 so that we do not disenfranchise or delay anybody and that those natives who wish to go to secondary education can do so.

If there is some abuse, as the Minister has suggested in his letters to the Chiefs, then let us deal with that. George Erasmus indicated quite clearly in the *Star* on Saturday that they are prepared as a community to work out the rules so that nobody gets a free ride *per se*. The ministry quite clearly does not have any proof of anybody taking advantage of the program, for example going for eight years and not getting any final diploma or degree, but if those things do exist, let the First Nations work out the rules with the ministry. The important thing is that we do put a moratorium in place, that we give the native people a chance to work it out with the Minister so that we can give those young people who are still fasting a chance of success, so that they can stop their fast knowing full well that their cause has been just and that we as a Parliament of Canada have listened and will act in a very positive way.

The Acting Speaker (Mrs. Champagne): It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of Supply pursuant to Standing Order 81(14).

The first question is on the amendment of the Hon. Member for Saskatoon—Clark's Crossing (Mr. Axworthy).

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the amendment, which was negatived on the following division:

• (1750)

(Division No. 6)

YEAS

Members

Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Blondin
Boudria	Brewin
Broadbent	Caccia
Campbell (South West Nova)	Catterall
Clancy	Crawford
de Jong	Duhamel
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Fulton	Funk
Gaffney	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Lapierre	Laporte
LeBlanc (Cape Breton Highlands—Canso)	MacDonald (Dartmouth)
Maheu	Manley
Marchi	Marleau
Mifflin	Milliken
Mills	Mitchell
Murphy	Nault
Nystrom	Pagtakhan
Parker	Peterson
Phinney	Pickard
Proud	Prud'homme
Riis	Robinson
Rodriguez	Rompkey
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Turner (Vancouver Quadra)
Walker	Whittaker
Young (Beaches—Woodbine)—85	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blais	Blenkarn
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Saint-Hyacinthe—Bagot)	Champagne (Champlain)
Clark (Yellowhead)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Couture
Crosby (Halifax West)	Darling
de Cotret	Desjardins
Dobbie	Domm
Dorin	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Holtmann
Horner	Horning
Hughes	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Kilgour (Edmonton Southeast)	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Merrithew	Mitges
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Paproski
Plamondon	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Ricard
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Sobeski
Soetens	Sparrow
Tardif	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—132	

• (1810)

Mr. Speaker: I declare the amendment lost.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I think there would be unanimous consent to apply the results of the previous vote to this one. Maybe some day this Opposition will win something in the House.

Mr. Bosley: Mr. Speaker, I do not wish to dissent with that suggestion, I just simply wish to add my vote with the negative.

Mr. Riis: Mr. Speaker, we agree to apply the last vote to this particular motion.

Mr. Speaker: Is the House agreed to apply the division just taken to the main motion?

Some Hon. Members: Agreed.

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

(Division No. 7)

YEAS

Members

Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Blondin
Boudria	Brewin
Broadbent	Caccia
Campbell (South West Nova)	Catterall
Clancy	Crawford
de Jong	Duhamel
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Fulton	Funk
Gaffney	Gauthier
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Lapierre	Laporte
LeBlanc (Cape Breton Highlands—Canso)	MacDonald (Dartmouth)
Maheu	Manley
Marchi	Marleau
Mifflin	Milliken
Mills	Mitchell
Murphy	Nault
Nystrom	Pagtakhan
Parker	Peterson
Phinney	Pickard
Proud	Prud'homme
Riis	Robinson
Rodriguez	Rompkey
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Turner (Vancouver Quadra)
Walker	Whittaker
Young (Beaches—Woodbine)—85	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)	Clark (Yellowhead)
Clifford	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosby (Halifax West)
Darling	de Cotret
Desjardins	Dobbie
Domm	Dorin
Edwards	Epp
Fee	Feltham
Ferland	Fontaine
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Hughes
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Koury	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Mitges	Monteith
Moore	Nicholson
Nowlan	O'Kurley
Paproski	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Sobeski	Soetens
Sparrow	Tardif
Thacker	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—133	

Mr. Speaker: I therefore declare the motion lost.

It being 6.18 p.m. this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 21(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Tuesday, April 25, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MINT

TABLING OF ANNUAL REPORT

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, on behalf of the Government of Canada and as Minister of Supply and Services, pursuant to Standing Order 32(2) of the House of Commons—

[*Translation*]

—I am pleased to have the honour to table the 1988 annual report of the Royal Canadian Mint in both official languages.

* * *

[*English*]

PETITIONS

INCREASED TAX BENEFITS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of petitioners who believe that the tax burden on average families is roughly $1,000 greater than it was in 1984. They point out that millions of dollars have been taken from Canadian families through Government cuts to benefit programs. They also point out that one in six Canadian children is living in poverty.

Therefore, the petitioners are asking Parliament to provide tax relief and fairness to Canadian families and ask that it considers the advisability of increasing benefits paid through the family allowance and the refundable child tax credit.

EQUAL PAY AND OPPORTUNITIES

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, another group of petitioners are concerned that women working full-time earn on average only 66 per cent of what men earn and that more than 18 per cent of women working full time and almost 79 per cent of those employed on a part-time basis earn less than $10,000. They point out that only 22 per cent of women employed full time earn $25,000 annually or more. They list a set of other concerns in terms of the bias against women in the workplace. They call upon Parliament to introduce and systematically enforce legislation guaranteeing Canadian women equal pay for work of equal value and equal opportunity for employment.

OWNERSHIP OF PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have the honour today to present a petition on behalf of a number of Canadians in which they argue that the Government of Canada has failed to take measures to remove Canadian petroleum assets from foreign control. They further point out that the Government of Canada has weakened its ability to ensure that Canadian gas and oil is developed in the national interest. On the basis of these two factors, they petition Parliament to ensure that 100 per cent of the ownership of Petro-Canada remains in the hands of the Government of Canada.

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STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Starred Question No. 43.

[*Text*]

NATIONAL CITIZENSHIP WEEK

Question No. *43—**Mr. Wappel:**

Did the Minister of State for Multiculturalism, upon announcing National Citizenship Week, issue an information package entitled *Citizenship Activity Guide* and, if so, what was the (a) per-unit (b) total-production cost (c) total number of units produced?

Mr. Cooper: Mr. Speaker, the answer is yes. Part (a) is 61 cents; (b) $36,500 and (c) 60,000 copies.

[*English*]

I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed from Thursday, April 20, consideration of the motion of Mr. Mulroney that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to to other Acts, be read the second time and referred to a legislative committee; and on the amendment of Mr. Langdon:

That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:

This House declines to give second reading to Bill C-3 because it fails to clearly define federal government responsibility for regional development, and specifically fails to reflect the requirement under s. 36(1)(b) of the *Constitution Act, 1982*, that Parliament is committed to "furthering economic development to reduce disparity in opportunities".

The Acting Speaker (Mrs. Champagne): When Bill C-3 was last before the House, the Hon. Member for Saint-Léonard (Mr. Gagliano) had completed his speech. The question and comment period is now available to Members. Otherwise the Chair is prepared to recognize Hon. Members for debate.

• (1110)

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I welcome this opportunity to take part in today's debate, a debate on a Bill to create a new Department of Industry, Science and Technology. Throughout the next few minutes I would like to bring forward a western point of view.

I want to to point out strongly that I do not want to sound parochial in this matter. After all, westerners, and particularly the good people in my province, feel that they are Canadians first, that they have a lot of faith in this country. We do have in our part of the country some very special concerns. I believe that these concerns must be addressed, and they ought to be addressed in this particular debate. I will touch on some of these concerns as we go along.

We recognize the crucial need to strengthen the economy, particularly in the regions. One way to increase the strength of the economy is to increase our commitment to research and development. In my opinion, that should be at the very top of our list. In an age of technology, research and development ought to be a top priority. One way of doing that is by providing adequate funding, not just bureaucratic shuffling. That is what we see in this particular Bill, bureaucratic shuffling, no real commitment to R and D. I believe this is consistent with this Government's record. I want to point out that since 1984 there has been an appalling neglect of R and D funding.

The Prime Minister (Mr. Mulroney) has made some pretty big promises in this regard. For example, he promised a doubling of research and development spending in the first four years of the first mandate of the Government. The Prime Minister did not keep that promise. I want to point out one particular fact. As a percentage of Gross Domestic Product, R and D spending slipped from 1.37 per cent to 1.35 per cent. So much for promises. So much for commitment to managing change in this country.

This is something I want to point out because it was stressed very heavily by the Conservative Party in the last election campaign. We all remember what the Prime Minister said. He said that it was his Party that was best equipped to manage change. How do we manage change in Canada? One way we do that is by staying on the leading edge of technology. It is central to economic growth. It is central to productivity. What have we received from the Government in this regard? We certainly have received promises, shrinking commitment to R and D. We have received bureaucratic games, shuffling people around, creating new positions, renaming Departments. That is not very impressive.

From a western perspective, there are a number of concerns that we have. The western economy, as most people understand, is based on resources and agriculture. That kind of an economy is at the mercy of external forces. We can do almost nothing about these external forces. There are many factors that come into this picture. For example, commodity prices can go up and down in just a matter of minutes. There is the ever present threat of a drought. We had one in the West last year, and it could happen again this year. Oil prices can go up and down at just about a moment's notice. We in the West are always in a rather precarious situation. We need to diversify. We have to give our economy more legs on which to stand. That is why industrial, scientific and technological development is most crucial to the West.

Adding to our concerns is the fact that our existing industries, ones that are there already, have been hit by a spate of recent mergers. I would like to mention a couple of them. One is the Molson merger. The other is the purchase of Wardair by PWA. These consolidations have led to fewer jobs. To make matters even worse for our region, high tech firms in the West have closed. Some of them have moved to eastern Canada. I believe that the Government has to take some responsibility in this regard. We have to point out the Government's lack of commitment in the encouragement of secondary industry in the West. That has to be told to the Canadian public.

The Government is weak in this area of encouraging secondary industry in the West. Instead of encouraging development of secondary industry in our region, the policies of the Government appear to have the opposite effect. They appear to have the effect of centralizing industry in central Canada. Instead of recognizing the importance of regional development, instead of developing policies to spur regional development, what do we get? We get bureaucratic shuffling and the renaming of Departments. That is not good enough.

The Government wants to create a Department which would be the focus of developing industrial policies. Fair enough. This particular Bill does not mention the West or what the role of the Department of Western Diversification will be. It does not specify what the role will be of that particular Department. That raises concerns in our minds. We must ask what will be the benefit of this new Department of Industry, Science and Technology to the West. What will be the benefit to our region? We fear that the concerns of the West will be overlooked. We fear this because the mandate for economic development in the West falls outside of the scope of this new Department, outside of its particular mandate. We fear that the economic development of the West will somehow become peripheral and secondary to that of central Canada. It is significant that only the Provinces of Ontario and Québec are mentioned in this legislation. Our information is that the focus of industrial development will be fixed in central Canada and that the new Department of Industry, Science and Technology will institutionalize that focus.

• (1120)

How then will the West fit in? That is the question. Can the Department of Western Economic Diversification deliver? Can it really get for the West the West's fair share? Will the Minister of that particular Department have the stature and the clout to ensure that the West gets its fair share?

There is another question. We consider this one crucial. The spending authority of the Department of Western Economic Diversification ends in just three years' time, in just 36 months. What happens then? Will we be left out in the cold? That is a real fear. That is exactly what has happened to the ERDA agreements. They have been left to wither on the vine.

We need to know the future of the Western Diversification Office. If it loses its spending authority, who then is left to pick up the pieces?

The Government could dismiss these concerns as just so much political talk, but these concerns are very real. We already know the Government's track record. We know of its insensitivity to regional development, particularly in my home province of Manitoba. We know what has happened to the ERDA agreements.

I would like to single out the ERDA agreements because in the recent past they have been a cornerstone of regional economic development. They were even recognized by the Prime Minister in an October 3, 1986 speech when he described the agreements as historic. Perhaps, instead, he should have said that they were history.

These agreements ought to be renegotiated. They should be renegotiated. We consider that the time to do that is now. The time is crucial. If the provinces want to renegotiate the agreements and they are ready to renegotiate, then why is the federal Government not ready?

I want to remind the House of something that was said by the Hon. Member for Champlain (Mr. Champagne). He said: "It was the Progressive Conservative Government that was not afraid to sit down with the provinces and see what, exactly, they wanted". So why now at this particular time is the Government suddenly afraid to sit down with the provinces calmly and with a spirit of co-operation to renegotiate these agreements with the provinces? I suggest that if the Government wants to be taken seriously on this particular matter, it should be prepared to do so, and to do so right now.

The then Minister for International Trade in 1985 made one of those statements that often comes back to haunt him. He said: "The ERDAs would continue at the current rate of spending". I think that commitment was about as real as the Government's commitment to the UI system. The ERDA agreements were particularly important to my Province of Manitoba and were used in many projects such as reforestation, transportation, mineral and agri-food development. The ERDA agreements were good for the province, good for the region, good for our people, and are needed more than ever right now because of the difficult economic times that we face.

There is another matter which I consider particularly relevant in this debate, the matter of federal procurement in our region and in my province, for the Government has not delivered to the Province of Manitoba. It has not come through. Statistics on this issue are revealing.

While Manitoba is ranked fifth in terms of population with 4.2 per cent of the country's total population, my province's share of federal Government contracts is below 3 per cent. It is distressing to note that while a quarter of federal procurement in 1986–87 was for items valued in excess of $50 million, Manitoba did not get one contract worth that much. That does not do anything for western alienation.

There was an interesting article in the *Winnipeg Free Press* the past weekend. There are revelations in the article that I believe should be inserted into the House of Commons record. I want to refer specifically to the article in the *Winnipeg Free Press* where that particular newspaper looked at federal and provincial spending records and estimates, Statistics Canada summaries of transfer payments and federal employment, Government records of supply and services purchases, and a province-by-province breakdown of spending through Ottawa's Western Diversification Office. These are some of the findings by the *Winnipeg Free Press*.

First, the Manitoba Government received an estimated $10.58 of every $1,000 Ottawa spent in the year ending March 31, 1989, compared to $10.74 spent in the year ending March 31, 1984. That was the last full year of Liberal Government in this country.

Now that may not sound like very much but if Ottawa had continued, according to the *Winnipeg Free Press* article, giving the same share of total spending to the provincial Government, the Manitoba treasury would have received an added $307 million over the past five years. Three hundred and seven million dollars to a province like Manitoba is a lot of money.

Second, employment in Manitoba dropped by 2,446 people between October, 1984, and March, 1988, as Ottawa slashed the number of civil servants nation-wide. In Manitoba, the cut in the yearly federal payroll is about $71 million at today's average rate of pay. Seventy-one million dollars is not chicken feed to a small province like Manitoba.

Third, Manitoba municipalities have suffered as Ottawa cut support for local Governments through the country. Between 1984 and 1987, which is the last year of complete figures, average federal support for Manitoba municipalities dropped by 2.9 per cent or $600,000 a year, a significant contribution to the municipalities of the Province of Manitoba.

Fourth, Manitoba's share of federal supply and services purchases dropped to 2.84 per cent in 1987, compared with an average of 3.3 per cent during the eight years before the Prime Minister took office. That drop cost Manitoba suppliers $93 million In government business during the past three years, which is not chicken feed.

There is one more point that I want to raise that was contained in the *Winnipeg Free Press* article over the weekend. Per capita funding for Manitoba-based projects through the Western Diversification Office stood at $40 by April 7 compared to $43 in Alberta, $77 in British Columbia, and $118 in Saskatchewan. Manitoba would have received $28 million more had its share of funding corresponded to Manitoba's share of western Canada's population. Lamentably, those figures point out that my Province of Manitoba is not getting its fair share. All Manitoba has always asked for is its fair share.

An Hon. Member: Where is Jake Epp?

Mr. Harvard: Good question. Where is Jake Epp? Jake Epp is supposedly the senior Minister of the province, and I do not think he is delivering.

Am I almost out of time, Madam Speaker?

The Acting Speaker (Mrs. Champagne): Order. I know the Hon. Member is fairly new to this place, but he should know at this time that Hon. Members do not refer to Members or to Ministers by their name, but by their title or by the name of their riding.

There is a minute left in the Hon. Member's presentation.

Mr. Harvard: Thank you. I apologize for that error. I forgot. From now on I will refer to the Minister of Energy.

I just want to say in conclusion that in my opinion the Government has not delivered and has not come through. We have seen the Government abandon the ERDAs. We have seen a lack of commitment to research and development. We have seen a failure to provide Manitoba with its fair share of federal contracts.

• (1130)

In this particular Bill we see the Government's affinity for bureaucratic shuffling and renaming of Departments. We have truly seen the Government's approach to regional development. It is not good enough. We in the West have reason to have doubt. We have reason to be skeptical. We deserve something better. The regions deserve something better. The people of Canada deserve something better.

The Acting Speaker (Mrs. Champagne): On questions or comments the Chair recognizes the Hon. Member for South Shore.

Mr. McCreath: Madam Speaker, I compliment the Hon. Member for Winnipeg—St. James (Mr. Harvard) on his remarks. I must say that he leaves me in a little bit of doubt as to whether he is in favour or not in favour of the Bill.

I ask him to refer to Clause 7 of the Bill. Does he oppose what I consider to be the most laudable and comprehensive objective set forth in the Bill? It suggests that the Minister's responsibilities will strengthen the national economy, increase the international competitiveness of Canadian industry, and encourage the fullest and most efficient and effective development and use of science and technology. Clause 10 refers to the encouragement and pursuit of scientific knowledge, expanding Canada's intellectual resources in science and so on.

I am unclear as to whether the Hon. Member supports the Bill and intends to vote for it or whether he opposes it. That is my first question.

Second, he makes reference to the fact that the Bill refers to Ontario and Québec and to regional development in Ontario and Québec. Surely, the Hon. Member recognizes this reference undoubtedly stems from the fact that we have the excellent programs that the Government has put in place in the area of western economic diversification. Indeed, in Atlantic Canada, we have benefited significantly and look forward to continuing to benefit from the Atlantic Canada Opportunities Agency.

Does the Hon. Member seriously think that the Party which forms the Government, which enjoys and has for so many years enjoyed the support of western Canadians, would forget for one minute to safeguard the economic development interests of western Canada, not to mention Atlantic Canada?

Mr. Harvard: Madam Speaker, I appreciate the comments of my hon. friend. I suppose that his question is rhetorical. He asks whether the Government would abandon the West. On the surface one would say that, surely, it would not be good politics to abandon the West. However, the fact is that we have been shocked in the past. We have to be ready for almost anything that comes our way, particularly when it might represent or be tantamount to a punch in the nose.

My hon. friend may not remember that I represent the riding of Winnipeg—St. James. The people of Winnipeg—St. James will not forget for a long time what the Government did in terms of the CF-18 affair. We thought that we had won a contract. We thought that the Government had a commitment to the tendering process. We thought that the Government would not use politics and interfere with that time-honoured process. However, it did. A company in my riding, in my city, won a very rich contract fair and square. Yet the Government through sheer politics, through nothing more than a bid to garner votes in another province, interfered with that process and took that contract away from us. That was terrible. We are not going to forget it for a long time.

When the Hon. Member asks will the Government ever forget about the West, will it ever abandon the West, the answer is: "Yes, the Government will do that". We will not have short memories.

The Hon. Member also has to remember this. Perhaps he was not listening as closely as he should have been. The mandate of the Western Diversification Office will run out, according to legislation, in three years. What

will happen after that? That is a responsible question on our part. It is a concern that we have. Who knows, the Government could just wind down and then what will happen? We have a legitimate concern.

Mr. Blaikie: Madam Speaker, I would just like to make a comment by way of responding in part not only to what the Hon. Member for Winnipeg—St. James (Mr. Harvard) said but also to what the Member across the way said about western Canada.

There is a tendency in this House, and I have seen it ever since I came here in 1979, to talk about western Canada as if it is some sort of homogeneous lump that does not have debates within itself about what is the appropriate policy for western Canada. I recall at the time of the National Energy Program when people would get up to say: "Western Canada is against the National Energy Program" when there were many western Canadians who were for the National Energy Program. Western Canada came to be identified in the Tory minds with the boardrooms of Calgary, Alberta.

The point I want to make is that western Canadians have delivered the Conservatives a message. It is that there are almost 40 members of Parliament not from the Government side who come from western Canada. There are some 19 New Democrats from B.C., 10 New Democrats from Saskatchewan, one New Democrat from Alberta, two New Democrats from Manitoba, five Liberals from Manitoba and one Liberal from B.C. The Hon. Member pretends that the Government has some kind of monopoly on western Canada. The fact is that the Conservatives were almost shut out of Winnipeg. For him to try to refute the thesis that western Canadians, in particular Winnipegers, were not particularly offended by the CF-18 decision, is the height of folly as far as I am concerned. People were offended. They showed that on November 21, 1988 by returning record numbers of non-Conservatives to the House of Commons from western Canada.

[*Translation*]

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Madam Speaker, I would like to make the following comment, if you allow me.

I think that this Government in no way claims to have a monopoly on what should be done for regional development in Canada—in the West, the Maritimes or elsewhere.

As proof, unlike the previous Government, which had the habit of defining all regional development policies and procedures centrally, this Government has in fact decentralized, created advisory boards with people in the regions and reestablished the dialogue with the provincial governments; the regional policies have come out of consultations and cooperation with the local community.

Certainly, one can always do more for regional development. What this Government is trying to do by way of regional development policies with local people is to set long-term policies and strategies supported by local people so that everyone works together developing the economy. This approach yields results. Just look at the lower rates of unemployment and increased income.

[*English*]

The Acting Speaker (Mrs. Champagne): There is one minute of rebuttal left for the Hon. Member for Winnipeg—St. James.

Mr. Harvard: Madam Speaker, I simply want to point out one matter as it applies to the Province of Manitoba. In Manitoba we call it the politics of punishment. We have discovered that in the wake of the November 21 election the Government, and in particular the Prime Minister, is prone to wanting to punish our province. Canadians know that there were an additional four Liberals elected in the City of Winnipeg in the election. There is plenty of evidence to indicate that the Conservatives take umbrage with that and that they are already punishing the Province of Manitoba. For example, there are a couple of projects that were promised for the province. It now appears that one or both are now on hold. We are being punished for that. Again, we have our doubts and we are skeptical. That is why we want strong legislation to protect us in case the Prime Minister and his Government want to be vindictive and bully a province such as the Province of Manitoba.

• (1140)

Mr. Howard McCurdy (Windsor—Lake St. Clair): Madam Speaker, I am pleased to have the opportunity to rise in this Chamber to engage in the debate on Bill C-3 which creates a new Department of Science and Industry from the old Department of Regional Industrial Expansion. In addition to the creation of a Minister of Science and a focus on science, there is the concern of this Party

with respect to this Department's responsibilities for regional development. Others of my colleagues will consider the deficiencies in that aspect of the Bill which limits this new Department's regional development responsibilities to Ontario and Québec.

However, even with regard to those aspects which are favourable to its science and technology function, I find it extremely difficult to understand how it is going to be possible to integrate the science policy and regional development policy aspects of this new Department's responsibilities. There is a clear necessity for balanced development of science policy throughout the country if it is going to be appropriately integrated into industrial and economic growth. I hope that Members on the government side will address those questions, and perhaps some of my colleagues, in looking at the regional development aspect, will themselves consider it.

From the point of view of those of us who are very much concerned about the lack of an appropriate focus on research and development in this country, the creation of this new Department is a step forward. We certainly welcome a Minister of Science with a higher profile who will begin to accord the kind of recognition to science, research and development that we need. It certainly is an improvement over the old Minister of State status which was practically no status at all.

In contemplating what alternative actions might have been taken to bring about this increased profile to science to ensure that the Government gets proper advice, that there is within the government bureaucracy a commitment to the development of a science, research and development policy, one might have considered the alternative suggested by many of those preoccupied with basic research in universities, that a Department of Science, Research and Post-Secondary Education might have been created. This would have at least recognized the important role that universities play, not only with respect to providing the basic and fundamental research underpinning for any research enterprise in the country but also the critical role that post-secondary institutions are going to play in respect to providing the manpower, the scientists and the technicians that are going to be necessary for future growth.

I am saying this in the context of a situation evolving in this country where we are suffering a severe shortage of trained personnel in those areas. Put another way, we are in a situation where not enough opportunity is being provided to young people who wish to become scientists. We are not providing enough appropriate support to the scientists we have to ensure that they will stay, either as scientists or as university teachers.

We are going to be facing a period in the 1990s when we are going to be suffering a severe shortage of university research scientists. We are not providing them through the pipeline of the universities. Since the United States is going to be facing the same problem, we are going to be facing a severe competitive situation in that respect.

I would have to concede, however, that a concept of a science and university or a research and university linkage in the designation of that kind of Department would be well taken. On the other hand, we could have had a free-standing Department of Science, Research and Development. We could have had a Minister who was quite independent of any other Minister, one who could have been equally able to address industrial and economic needs as well as the question of post-secondary institutions, basic research and so on. We could have had a Minister who accorded the kind of weight and importance to basic and fundamental research policies that most of us who understand science realize are necessary in order to ensure that we will have a viable scientific climate in this country. Basic research, if it is not there, is going to cost us dearly in the future.

I do not think that there is any compelling reason for opposing the Bill because we do not have a free-standing Department of Science, Research and Development, but one which is linked with industry. That is as acceptable as any other alternative except that one must worry about the bias which has been so frequently expressed by this Government which seems to disregard the role of basic research, which seems to disregard the role of the universities in ensuring that Canada has a viable research and development climate. We cannot borrow the findings of basic and fundamental research from other countries.

When I express this concern about this bias, it is not something that I draw from the air. The former Minister of DRIE said on a number of occasions that that science will be supported by a government which accords with

industrial priorities. It was said over and over again that science which is identified by politicians as being capable of generating industrial growth of new products in a relatively short time is the science that would be supported. This is expressed in a number of quite concrete ways. The granting councils, which are supposed to supply the essential funding to the universities for basic fundamental research, have not in the last several years received any significant increase in funding except that which accrues to them through the matching grants. It is strictly in the area of science by virtue of a granting program according to which moneys provided by industries to the universities will be matched by grants from the granting councils, which in turn will go to the universities. The bias is clear.

There is nothing inherently wrong with ensuring greater co-operation between the universities and industries in respect of research and development. There is something wrong and we have a serious problem when recommendations are ignored such as that made by the Lortie Commission—which derives from the National Advisory Council on Science and Technology, which advises the Prime Minister (Mr. Mulroney)—that the amount of money provided to the granting councils should be doubled over two years, and thereafter increases to those granting councils be 1.5 times the increases the Gross National Product.

• (1150)

Scientists who understand the role of basic research recommend that the Government take certain actions, but the Government has failed to do so. Again, we must caution that the twinning of science with industry will not so bias our emphasis as to cloud our minds, as the Tory minds are already clouded with respect to the role of basic research. The Government has not done especially well even with respect to its primary concern with basic research. Let me cite another example in this respect.

One of the flagships of government policy has been the new centres of excellence. I believe the centres of excellence reflect a step forward in a number of respects, but when one considers the criteria to be applied in the selection of which centres of excellence will be funded, overwhelmingly the criteria are those which correspond to direct industrial, relatively short-term needs. If the Government evinced an appreciation of the appropriate role of basic research in order to give some balance to this, the centres of excellence would also have criteria that would have been applicable to basic research emphasis in some centres of excellence.

Let us examine what this may entail. I suppose there is not a Member in the House who is not aware of the excitement being generated in the scientific community over fusion research. I was shocked to read in the *Toronto Star* last week that for some months Canadian scientists at Electrofuel, a small laboratory in Toronto, were working on cold fusion and had generated perhaps some 15 patents and may even have beat the Utah investigators except for the fact that they were inadequately funded. This tells me that whatever might be the outcome of the scientific interaction to occur with respect to coal fusion in terms of its mechanism, it is an example of research that bureaucrats or even eminent scientists cannot identify as an area of appropriate emphasis.

In the past I have cited the instance of genetic engineering, in which no one I know would have given significant funds to research on snake venom, snail juice or bacterial viruses. Yet those are areas which have led to great breakthroughs in genetic engineering. We must ensure that Canada is not deprived of those possibilities inherent in basic research.

The Government has not even done its job with respect to its preoccupation with industrial and applied research. The extent of this failure was dramatized only in the last few days by the revelation that Connaught Laboratories, a great historical institution in this country which derives from the discovery of insulin in Canada, is to be sold to Mérieux of France. At the same time, Lumonics, one of the most advanced and third largest laser technology firms in the world will be sold to Sumitomo. One of the interesting aspects of Lumonics is that it is part of a centre of excellence in Ontario. It challenges one's imagination to come to grips with this small fact, but in Ontario there is a centre for advanced laser and lightwave research which is funded by the Government of Ontario. Government funding provided the laser technology in the first place. Lumonics is being funded as part of a centre of excellence in Ontario. The federal Government, and now the provincial Government, contributed to the technological development of this place. Now it will be sold.

If the Government is going to come to grips with research and development policy, surely one elementary, fundamental premise must be that when the technology and R and D in this country are developed here and funded by this country, they must be owned in this

country. Yet this self-evident, elementary fact of research and development policy is not minimally recognized by the Government or Investment Canada. I have no doubt that it does not even ask the question.

It is not the first time that we have lost technology that was developed here. If we are to go beyond the empty promises of the Prime Minister, then this new Department had better come to grips with those elements of appropriate research and development policy that are necessary to increase the rate of expenditure from the present 1.35 per cent of GNP to the level maintained by other industrial nations, which is about 2.5 per cent. Sweden is approaching 3 per cent of Gross National Product in this area.

The twinning of science and industry in this Department at least calls attention to the absolutely critical requirement to place strong emphasis on the area of creation of new knowledge and new products if we are to get beyond our resource dependency.

I repeat, ownership is fundamental. What has the Government done? It signed a deal with the United States so that any of the companies in this country worth less than $150 million, those companies which do most of the basic industrial research and development, can be bought by Americans without even a review, and take our research and development, take our technology, and take our jobs back to the United States.

If Lumonics and Connaught had available to them some funding from the federal Government, or some federal mechanism to obtain the funding in order to pursue their markets and expand their technologies themselves rather than selling out to foreigners to do it, we could have saved Connaught and Lumonics. However, no such mechanism exists.

According to the subsidy rules to which the Government will almost surely agree with the United States under the Free Trade Agreement, we will not be able to be selective in ensuring that Canadian companies are getting the funding to develop the technology that is necessary for their survival and for the new products we will need in order to be competitive.

One of the key elements in generating research and development and new technology in a country is procurement.

Mr. Harvey (Edmonton East): Ask the Japanese.

Mr. McCurdy: Ask the Americans. There is defence procurement. There is space agency procurement.

Yet the Government says that when there is a contract to be let, anyone can bid on it. Americans and Canadians will bid on the same basis. The elephant and the mouse are on the same basis for procurement contracts in this country, for contracts that ought to be generating technology in Canada. The Government has taken away ownership, it has taken away procurement, it is taking away the granting and subsidy mechanisms. What kind of research and subsidy mechanisms and what kind of research and development policy will there be? Basic research has been deprived of funding. There has been no decision on how research in industry will be encouraged.

• (1200)

If this new Department is to do any good, it had better start coming to grips with the situation that finds Canada's relative position constantly deteriorating. This is true in government laboratories where morale has been virtually destroyed by the stupidity of the Government's policies and the lack of a long-term plan and it is true of the universities which are being robbed of test tubes, for God's sake, because of the niggardliness of the Government. Every time industry develops something, we sell it off.

We think that the symbolism in the Bill is good. It is probably a good thing that a message will be sent out to the general population that if we are to have economic growth, R and D had better be carried out in Canada. However, the Government will run into trouble because calling attention to that significant, fundamental relationship between research and development, knowledge, economic growth and jobs ought to put pressure on the Government to stop the BS and do something with respect to science, research and development in Canada. Canada's future is at stake.

Mr. Holtmann: Madam Speaker, once again, it was interesting to hear my colleague from Windsor—Lake St. Clair address the House on an issue that I am certain many Canadians find very important. I do not know if he excited anyone with his almost hysterical approach to a subject matter that I can assure the Hon. Member the

Prime Minister takes seriously. After all, it was the Prime Minister who established a council of science and research at a very high level and he himself is very actively involved in it. After many years of Liberal rule, he wanted to find the true direction Canada should take in terms of research and what the country's priorities should be. Instead of rhetoric, he actually sat down with some of the most progressive intellects in that field. The Hon. Member forgot to mention that. This exercise had never been conducted by any Prime Minister before. I wanted to make him aware of that.

The Hon. Member seemed to be rambling all over the field, not really saying anything about what Canada ought to be doing. Let me take him back to the days of the Liberal regime. At that time, in Winnipeg, Manitoba, the Liberal Government spent something like $34 million on a national research building and allocated $25 million to operate it. The building was not completed when the Tories took office. The former Liberal Government had no plans for the place. It had no idea where it was going. It was simply a pile of federal money going into a building, without being sure what kind of research ought to be done. Is this what the Hon. Member wants to go back to? That Liberal Government then said to the Canadian people that it was doing a lot for research because it had allocated "X" number of dollars and built a building.

Let me tell the Hon. Members what the Tories have done in Winnipeg. They have gotten free enterprise, the business community and the manufacturing sector to occupy 75 per cent of the building and pay 75 per cent of the cost of research rather than having the Government of Canada pay for research that it does not even need or know about. Industry is now doing its own R and D, something which was lacking for so many years. The Hon. Member would like the Government of Canada to say, "We will do your R and D, we will throw money at whatever you propose". He is telling us that what is going on today is wrong.

I would like to point out to the Hon. Member that the Government seems to have a lot of direction. It can fill the building with private enterprise without spending taxpayers' dollars. I would like the Hon. Member to comment on whether or not he would like to go back to that old system.

Mr. McCurdy: Madam Speaker, the Hon. Member, not atypically, either did not hear or did not understand what I said. I clearly did not say that we should go back to the admittedly disgraceful record of the previous Liberal Government with respect to science, research and development.

The Hon. Member suggests that I did not mention the National Advisory Council on Science and Technology, but I did. There are a number of things that the Government did for which I congratulate it, including elements of this Bill. However, I am sure that the Hon. Member will recall, as I do, that before he came into office, indeed in 1983, the Prime Minister said that Canada was in the bush leagues of science and that by 1990 if not by the end of his first term, government expenditures on science, research and development would be doubled so that 2.5 per cent of GNP at least would be devoted to research and development. However, in fact, not a single additional penny of government money has gone into research and development. Right now, we stand exactly where we did when the Prime Minister made that statement.

The Government has thrown some money at science and technology. Canada has probably the most generous tax concessions, which result in indeterminate work by industry of any other country in the world, and it has not corresponded in any way to any coherent policy of science, research and development. The Government, on behalf of which that Hon. Member speaks, did that.

The Hon. Member can jump up and speak about what his Government has done to save a pretty building in Winnipeg from disuse as much as he wants. However, that will not convince anyone that the situation in science, research and development in Canada is not exactly where the Prime Minister found it when he came to office, in the bush leagues of the industrial nations of the world.

We plead with the Hon. Member, through you, Madam Speaker, to get himself into gear and to see if he cannot convince the Government that it must have a coherent policy, one that will overcome some of the negative elements of R and D which have been introduced and imposed upon Canada as a result of a Free Trade Agreement that is supposed to enhance competitiveness but very likely will abort it.

[*Translation*]

Mr. Tremblay (Rosemont): Madam Speaker, I would like to thank my colleague from Windsor—Lake St. Clair (Mr. McCurdy), who I think appreciates the centres of excellence program started by the Government. As my colleague pointed out, this is certainly a most welcome initiative that provides impetus not only to each university centre but also to inter-university relations in Canada.

I also think that our colleague considers connecting industry and research—not only immediate applied research, but also basic research—to be a good thing.

Madam Speaker, there is not just money—and I would like to have my colleague's comments. For example, on what the Government able to do with Bill C-22? I would like my colleague to take account of the very large investments that exceed what we anticipated when Bill C-22 was passed.

I also share my colleague's concern about new blood. I suppose he will understand that the Canadian bursary program is meant precisely to provide new people in the coming years.

• (1210)

[*English*]

The Acting Speaker (Mrs. Champagne): A very short comment from the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy).

[*Translation*]

Mr. McCurdy: Madam Speaker, Bill C-22 which, according to the Hon. Member, was supposed to encourage basic research, has done nothing in that respect. There has been an increase in investment in research by the drug companies, but not in basic research. It is not the kind of research that can give us what we need to support a Canadian initiative, an independent initiative for new industries, and so forth.

As far as grants are concerned, it's not bad, but it's minimal. It would be better if more funding were earmarked for the universities, with more support for all students, not just for scientists, because a country needs science, research and development to improve its economy. However, we also need to balance what science produces with teams of researchers who can help us ensure that science and technology will not affect us in a way that might not be a good thing for the entire country.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired. Resuming debate. The Hon. Member for Winnipeg North (Mr. Pagtakhan).

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, the objectives of Bill C-3 as listed in Clauses 7, 10 and 12 are laudable indeed. However, I am deeply concerned that this Bill, which puts the crucial areas of science and technology within the same Department as industry, might conveniently allow the Government to over-emphasize industrial issues and ignore the pressing need to increase expenditure in research and development, as it has ignored this need for the past four and a half years.

If the Government does not improve research and development policies, Canadians risk becoming technologically backward in a world of rapidly unfolding technological innovation. If more research funds are not devoted to science and technology we risk becoming permanently relegated to the kindergarten of science.

My concern is shared by many prominent scientists and economists, such as Polanyi and de Grandpré.

The consequences of continued neglect of research and development by the Government are grave. Canada will be unable to compete in the world market and our standard of living will falter. Given the link between economic and social policies, Canada's social programs will also suffer.

In my reply to the Speech from the Throne I discussed my Party's commitment to our universal social programs. Now I wish to focus on the Government's lack of commitment to research and development in science. May I remind the Government that we need more than a legislative Bill on paper; we need a Government with a will to act.

I am concerned that the new Department that will be created by Bill C-3 will not adequately reflect the necessary link between continued success in industry and greater devotion of resources to research and development which will allow us to create the technology to become more competitive on the international economic scene.

My concern has a genuine basis. In the last four and a half years the Government has not fulfilled its promises in the areas of science and technology. Further, the Government's current obsession with reducing the deficit may cause it to neglect funding of research and development.

Federal expenditure on research and development decreased 7 per cent from 1984 to 1988. In 1984 the Government promised to increase spending on research and development to 2.5 per cent of the Gross National Product before the end of its first mandate. However, funding actually decreased in real terms during this period. To use the words of the Hon. Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. Andre), this is an example of the Government "saying one thing and acting in another way."

Does the Government know and appreciate the difference between a promise and a commitment? The Government has capped the base budgets of Canada's principal research and granting councils. It has also limited tax credits to companies conducting research.

As if the onslaught on research and development was not serious enough, the Government also drastically cut the budget of the National Research Council. Has the Government forgotten that the National Research Council is Canada's national laboratory and the primary research and development organization of the federal Government?

Instead of increasing the National Research Council's budget by 20 per cent, as the Government had promised, it did the exact opposite. It chopped the budget by 20 per cent. These cuts not only cause lay-offs, but they demonstrated the Government's lack of crucial foresight in developing Canada's future technology.

The Government tax credit system has been plagued by inefficiency and delay. Some prolonged delays, as long as 18 months in the processing of claims, have seriously hindered genuine research efforts. Small companies are hit hardest by such delays. They are forced to restrict their research and development programs because they lack the necessary capital to wait for the decision of the Government.

Members of the House will be the first to admit that the Government's record on research and development is abysmal. I might add that neglecting research and development exacerbates Canada's debt problem, since our inability to compete effectively in the world market will increase our deficit in the long run. The Government does not seem to realize the extremely serious state of Canada's research and development efforts.

Canada was last of eight major countries in total research and development spending. In 1987 total research and development in Canada was approximately 1.4 per cent of Gross Domestic Product, about half that of the United States and Japan. Canada was last in company-funded research and development, with only 3 per cent of Canadian firms investing in any research and development at all. Canada is last in the number of scientists and engineers that we have, which is less than 10 per thousand. It is no comfort that Canada was fourth in government-performed research and development as a percentage of Gross Domestic Product.

Such statistics are frightening when one realizes that science and technology have a greater role than ever before in determining economic prosperity. The research and development efforts in other countries together with the rapidity of technological changes are posing major challenges to the international competitiveness of Canadian industries.

• (1220)

Since research and development is a significant creator of jobs and wealth, the Government's low spending in this area is alarming indeed. Mr. Fraser, President of the Canadian Institute of Advanced Research said:

> We have failed to understand that we are ill equipped to survive in a global economy based increasingly on science and technology-based products.

This lack of understanding is reflected by the fact that this Government has no clear policy on how to promote research. Public policy is essential in promoting and financing Canada's relatively small high-tech industry. Because of the huge investment required and the long wait for profits to materialize, the free market alone cannot be relied upon to finance research. There is a need for more joint industry-government-unversity research and development. Two hundred and forty million dollars to centres of excellence is not enough. I worry that the Government's words are not matched with dollars.

It is absolutely necessary for the Canadian Government to increase spending in the area of research and development. Not only must the Government increase direct support of research and development through larger grants to universities and through better scholarship programs for students, for example, but the Government must provide better successful, loop-hole free investment incentives so that private companies will also increase their research and development spending.

I am also concerned that the Government is not taking enough account of public opinion on the need to increase research and development spending. In 1987, the Ministry of State for Science and Technology found that 80 per cent of Canadians would like to see more development of science and technology. This Government has failed to take into account that public opinion. The public believes that Government should take the lead in this area and share the costs with the private sector and, I emphasize, with the provinces. My Province of Manitoba asks for no less than a fair share of federal support.

The public is also receptive to efforts to improve Canada's scientific capability, to keep scientists and technologists in Canada and to train more of them. Yet the Government has not taken the wishes or the best interests of Canadians into consideration when it decided its spending policy in the areas of research and science. This is one more classic example of this Government's pachydermous insensitivity to the Canadian scientific community!

Canada does not produce enough people with advanced degrees in natural science and engineering. There is a brain-drain of scientists due to the inefficient financing of education and research in Canadian universities. The Liberal Party supports the recommendations of the Lortie Commission. In some research and development areas in high-growth industries the demand for highly qualified human resources exceeds the supply. In the area of basic, as opposed to applied, research, the Government has been even less encouraging toward its human resources. This is alarming as well for without basic science the application of new knowledge is difficult. Yet Canada's support for university research is among the lowest in the major industrial countries on a per capita basis. As a percentage of Gross Domestic Product the funding of research in universities and granting councils is less today than it was in 1970.

This is unacceptable. As Nobel Prize winner, Dr. Gerhard Herzberg points out, it can be historically demonstrated that the truly revolutionary discoveries have come from individuals of great merit pursuing a relatively unfettered path. This Government's research and development program, to the extent that it has one, reflects the Government's preoccupation with profit that takes precedence over concerns about our scientists making progress in the area of basic science.

I submit, Madam Speaker, that investment in research and development should be made on the basis of the common good not on the basis of political expediency. Many Canadian scientists and teachers of science predict that unless more support is given to basic research Canadian universities will lose their stars, those people most likely to make major scientific breakthroughs. Promising scholars may also be steered away from basic research after deciding that there is no career to be had in science in Canada. Indeed, I am concerned that the Government will not do enough to promote both applied and basic research in universities, to encourage industry in Canada to increase research and development activity and to foster their research and development in renewable technologies which are essential to implementing environmental improvement.

I also have some concerns with some specific clauses in Bill C-3, which I will mention only briefly here, but which must be examined carefully at the committee stage. First, I question whether the Minister of this new integrated department will be so preoccupied with industry, market-forces and and profit that he or she will not devote full equal attention to research, science and technology and that the result of the creation of this new integrated department may just be a camouflage which will make it look like the Government plans to address the need to increase research and development while really just allowing the Government to continue stalling in this area.

Second, I worry whether the Minister for Science will act in concurrence with the chief Minister as specified in Clause 4(3) but will not be subject to such control by the chief Minister that the Science Minister is unable to act independently and is instead only a puppet in promoting the needs of science.

Third, I would like to be assured that any recommendations made by the chief science adviser who will be appointed by the Governor in Council under Clause 5(3) will be taken into serious consideration by the Government and not ignored.

Fourth, I am concerned that including the issue of regional development of Ontario and Quebec within the responsibilities of this new department and leaving the regional development of other provinces and territories to other provincial-federal arrangements may lead to an unfair regional allocation of research and development funds. Manitoba and other provinces and territories would not ask that Ontario and Quebec receive less funding for research. We in the West only demand that

all regions receive their fair share and are not sacrificed by the federal Government. Any imbalance in regional development is not only unfair, it is unethical.

In conclusion, I wish to ask the assurance of this Government that it will, for once, make an honest effort to stop ignoring the need to push for more research and development for all parts of this country and to lend credence to its words by taking some effective action.

If this Bill passes let it be a redeeming document which will reflect the Canadian commitment to fairness and ethics. Finally, if this Bill passes I hope that the Government will recognize with deeds and not just words the importance of increasing research and development which will allow us to sustain our national pride in our scientific achievements and maintain our economic prosperity which, in turn, will enable us to promote social justice in the form of providing social nets in the areas of unemployment, health and welfare.

The last four years were abysmal for the scientific and technological community as a consequence of neglect by the Government. The Liberal Party is committed to call this Government to task in scientific research to ensure that the next four years will undo the neglect of the past four years.

• (1230)

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Portage—Interlake (Mr. Holtmann).

Mr. Holtmann: I listened with interest to my colleague, the Hon. Member for Manitoba Winnipeg North (Mr. Pagakhan), and his concern about the Government's efforts in the area of science and technology. His historic rendition of what happened prior to 1984 brings about an automatic question. I am not sure if he was suggesting that this Government should treat science and technology as it was treated by the former Liberal administration who ran this country so deep into debt that we probably will have to pay forever. Unemployment under that regime increased dramatically. Since 1984 the statistics prove that our employment picture has improved. We have more Canadians working now as a result of this Government, not because of it.

He suggested that Manitoba and Winnipeg have suffered because of this Government, when in fact the new centre for sustainable development will be located in Manitoba and Winnipeg, as was indicated by the Prime Minister (Mr. Mulroney) in the Throne Speech, not because of some rhetoric and some words, as was suggested by the Member from Winnipeg North but because we have a science and technology lab now operating fairly efficiently. This was not the case prior to 1984, when money was thrown recklessly from coast to coast with no thought at all. If that is what he really wants Canadians to go back to, I would like to ask him, if he wants to spend money as was done by the previous administration, would the Member want to tax Canadians more for it?

His Leader said during the last campaign that he in fact also wants to reduce the national debt. He had a goal to reduce the national debt. How can the Member for Winnipeg North suggest that automatically a percentage of Gross National Product should be thrown in to science and technology with no regard to how it is spent and no control mechanisms, as we experienced prior to 1984? The Winnipeg Science and Technology Centre was built with nobody prepared to move in upon completion. If the Hon. Member would check the record, he will find there was none. Is that the way he wants Canadians to treat science and technology again, as it was treated prior to 1984? I suggest that the Member for Winnipeg North go back to his polls and find out. He would be very shocked at what went on under the Liberal administration of the day. I would like to know how he intends to spend this new- found money, as it was spent before?

Mr. Pagtakhan: I am indeed shocked that the Tory Government has failed to heed public opinion. I am indeed shocked at that. To the extent the debt has increased, it is this Government that has doubled the debt during its mandate.

Some Hon. Members: Shame!

Mr. Pagtakhan: Let us also realize that for the debt we have created, that for the debt we have in the country, let us not blame the people of our country who have paid taxes to the Government. This debt has also resulted in many assets, in schools, hospitals and our universal social programs.

In terms of the science and technology building in Winnipeg, the building was not quite finished; and for the hon. gentleman to allude that there was no person inside, of course the building was still under construction.

[*Translation*]

Mr. St-Julien: Madam Speaker, I was listening to what the Hon. Member said, and I would like to ask him whether he knows about the scam of the century that was perpetrated by the Liberals when they were in power. I am referring to the science and technology tax shelters, a program that was supposed to cost the Government of the time $200 million in 1983-84. When we came to power, we were stuck with—The first thing the Minister of Finance did was to get rid of those tax shelters.

Subsequently, we calculated that the scam of the century perpetrated by the Liberals of Canada did not cost $200 million but $3.9 billion, Madam Speaker.

I would like to ask the Hon. Member if he is aware that of those $3.9 billion, $1.9 billion in Canadian dollars was written off as fraud and losses. We could have built fifty hospitals in this country with that money. He should realize that when we talk about the deficit, we are talking about the previous Liberal government, so I wish he would tell us about the Liberal scam of the century, about those tax shelters.

[*English*]

Mr. Pagtakhan: The Liberal Party does not, cannot and will never condone corruption in government and tax evaders. This Government was reluctant to act promptly when Members of the Government were being brought before the courts, or had cases before the courts.

Mr. Riis: I think we all recall the scientific tax credit boondoggle that was brought in by the last Liberal administration—

Some Hon. Members: Two million dollars.

Mr. Riis: —that it costs, not as my hon. colleague pointed out, not hundreds of millions, but indeed a few billion dollars. What he failed to mention, just to clarify the record, was that when the administration changed and the Conservative Party took over as Government of Canada, they stopped the program from continuing, but all of the boondoggles that were in stream were allowed to play through. Because the Minister of Finance (Mr. Wilson) failed to act expeditiously and in a tough way, as he should have, it cost an extra $1 billion that could have been avoided had he in fact immediately closed that off. We will forget that, Madam Speaker. It is history now.

My question for my hon. colleague is the following: Considering that Canada finds itself now as the western industrialized country that has more foreign ownership and control of its economy than any other nation in the western industrialized countries, would he think that that is one of the main reasons that we have so little research and development going on, particularly in terms of the industrial sector? Companies would tend to do most of the research and development through to production back in their parent headquarters, as opposed to their distant branch plants. Would he agree that because we have a large sector of branch plant economy that that is one of the critical reasons that our record in terms of R and D is so abysmally low?

Mr. Pagtakhan: Certainly we should encourage research in the country. We should not let Canada be a branch plant of any other country in research and development.

Mr. Manley: One thing that has amazed me since coming here is the fact that after four and one-half years Members opposite continue to cite things that happened before 1984, in defence of lack of policy for the last four and one-half years.

Some Hon. Members: Hear, hear!

Mr. Manley: We have just heard it a few minutes ago. It is time that they became aware of the record of their own Government, and started defending that.

I would like to congratulate the Member for Winnipeg North (Mr. Pagtakhan) on an excellent speech. He brings a very useful perspective to this Chamber, that of a medical practitioner as well as a distinguished scientific researcher. I think with that background it would be of value to the House to hear his views on the Government's policies with respect to university research, and what we might do in Canada to encourage more and better university research.

Mr. Pagtakhan: I thank my colleague for his kind words. I can only reiterate that we truly have to develop a science culture policy in this country, not only in rhetoric, not only in words, but in deeds. Canada can no longer tolerate being second-class in research and development. We have a lot of brilliant minds. We have produced in this country a Polanyi. Let us continue to produce more. This Government must put action into its words.

• (1240)

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is indeed a pleasure today to speak on this Bill before the House, concerning industry, technology, and trade.

I listened with some interest to the Minister when he spoke of the Bill. On the surface I agree with him that the main thrust of the Bill appears to be one that is laudable. It speaks in words that would lead us to believe that in fact this Government is going to do something toward science, industry, technology, research and education.

I went back to the prior Bill which this Bill is repealing, the Regional Expansion Act. I looked through that Bill to find what was being changed, what we could look forward to in Government attitude from what was in the prior Bill. I found many of the same words in that Bill as are in this: develop, implement and promote international policies and entrepreneurship. Many of those are words that have been transplanted from that Bill into this Bill.

The Government must do more than talk in platitudes. It must do more than simply set down in words in a Bill what it will do. It must show through action what will happen under this administration. If it could not do it under the former Bill, it does not appear that, without the will and without the drive that is required, it is going to be able to do anything further with this Bill.

For instance, in the matter of research and development, we see that the thrust of this Bill is for increased research, increased development. I would suggest that one goes hand in hand with the other, and hand in hand with education, yet since 1984—I think the figures will prove this—in fact the commitment of this Government to research has dropped substantially.

I was flipping through a position paper from the National Consortium of Scientific and Educational Societies and found some comments that I would like to read into the record.

On one page it states:

> The concern of the member institutions of the National Consortium of Scientific and Education Societies of Canada is both with university education and research. The links between the health of these two economically essential sectors are obvious, and should be. Without productive, high quality undergraduate education, we cannot produce the right kind or number of graduate students. Without the right kind and number of graduate students, the research enterprise will wither. Without research and development, no modern economy can assure or maintain for its citizens an acceptable standard of living—that Canada is seriously underinvesting in research and development. Also any attempt to raise the share of research and development in the national economy must be accompanied by a considerable increase in educated and trained researchers.

I suggest that the Government, while paying lip service to the research community, has been gutting that very institution. We have seen massive cut-backs for the past four and a half years in the area of research and in the area of development. That to us on this side of the House is unacceptable.

In my riding of Okanagan—Similkameen—Merritt we have an establishment, the Summerland Research Station for agriculture, which is an institution well respected around the world, not just in Canada. It is a magnificent facility built some years back with the capabilities, with the adequate funding, of doing something in the area of agriculture, for which the Okanagan is famous. Yet within that facility we have major research funding caps.

From my point of view I am pleased to see science, technology, and research coupled with small business. Certainly, in the agricultural area in my region one goes hand in hand with the other. Agriculture, after all, is a small business. The research done in the Summerland Research Station works with the agricultural community in taking fruit products and assisting those small businesses in developing by-products, what we know here and throughout Canada as value-added products. It is a small example of the value of research.

I would suggest to the House that for every dollar that we invest in the research community in the education of our young people and in maintaining that research community, we get back dividends far in excess not just for this generation but for generations of the future. Those dollars, whether they be for research in the agricultural area, the astrophysical area, the area of geriatric research or for medical research, will return dollars. However, we must provide those dollars to our scientific researchers in order that they can spread their wings and make these break-throughs and developments that will lead, in the future, to the cuts that we will be able to make in medical areas. The research that will be done will take away the necessity, perhaps, of so many trips of our aged and aging population to the doctors, the clinics, and the hospitals, thereby repaying a dividend in that area.

I would like to move on the area of small business. I have read Clause 8. On the surface it is laudable and applaudable. Using this Bill, the Minister will be able to strengthen the national economy, increase the international competitiveness of Canadian industry, encourage the fullest and most efficient and effective development and use of science and technology and develop, implement and promote national policies to foster an improvement in productivity and efficiency in industry. He will be able to develop and implement national policies to foster entrepreneurship and to start up growth and expansion of small business and promote and expand tourism. These thrusts are applaudable. However, I would suggest that they must be more than just words.

Small business in Canada since 1980 has created, according to Statistics Canada, just over 70 per cent of our new jobs. I suggest that of the approximately 800,000 small businesses in Canada, the small business persons are the economic backbone of our country. We in this House should do more than simply pay lip service, simply give out the usual platitudes. We should be bending over backward to assist small business, whether it be through financial assistance, assistance through the Federal Business Development Bank, assistance through our chartered banks, assistance through interest rates, or assistance through technology. We must do more for the small business community.

• (1250)

It was interesting in looking through the annual report of the Federal Business Development Bank and analysing some of the figures in it to find that in terms of the loans which it grants, over 82 per cent were over the $100,000 mark. The balance under that mark illustrates to some extent that the small business community is not gaining benefit from the Federal Business Development Bank. In going through facts and figures from small business, we find that 85 per cent of small business loans are made through chartered banks. It is interesting to note the problems that small businesses have in dealing with chartered banks. One of the largest complaints is that they are required to put up collateral much in excess of what would normally be required and much in excess of the loan that they are receiving. For each dollar of loan that a small business in Canada takes from a chartered bank, it must put up in collateral $2.78 worth of assets.

Small businesses are also overburdened with the paperwork required in order to process many of these loans. Mountains of paperwork is involved. They have to deal with matters such as secured loans, mortgages, chattel mortgages, assignment of book debts, and the list goes on. Since most small businesses employ under five people, it is the business person who has to deal with this paperwork. He has to deal with the lawyers and the accountants in order to help them. Therefore, his overhead goes up. It is in this area that the Government could be cutting down on some of the red tape. It should be cutting down on some of the paperwork required. In this way he or she will have the opportunity to pursue their assistance to the economy with the aim of being able to put bread and butter on their tables.

On the surface the thrust of this Bill appears to be laudable. However, there is an unfortunate quirk in it about which everyone in Canada should be made aware. It has been pointed out in the House before. This Bill leaves the economic development across Canada in the hands of three different Ministers. Instead of pulling it all together under the auspices of one ministry, it is spread out among three. If it were pulled together under one, there would be a unified thrust. We must have unity in Canada. We must show unity. We must not have separate ministries for the West, the East or for central Canada. Economics, research and development and technology must be dealt with even-handedly throughout all the provinces and all the regions of Canada.

Unfortunately, this Bill leaves the way open for regional disparities to crop up and cause problems for the generation of the future. Instead of bringing forward a unified Bill which would bring the regions together, the Government appears to be dividing the country into three areas. They are the Atlantic, the West and central Canada. Over the years we have watched the growing disparities between the eastern provinces and central Canada and between the western provinces and central Canada. One of the arguments that we hear constantly on the doorsteps and the streets of our ridings is that we in the West are not receiving our fair share. I am sure the same is true with respect to the East. We need equality with the rest of Canada, a unified Canada that Sir John A. Macdonald worked so hard to bring together. We need a Government that will bring in policies to unify and govern with an even hand regardless of how the electorate voted in the last election or how it is perceived that it will vote in the next.

There are a number of areas in the Bill at which I think the Government should look. In terms of British Columbia and the West, the lumber industry is one of those areas. It can use some of that research and development assistance to create value-added products. Instead of shipping our lumber and logs raw, we should be looking at methods to add value to them. This would assist the people and entrepreneurs in the regions to use what we are producing in our sawmills and pulp mills, in the creation of products that would stimulate the number of jobs in Canada for Canadians, products not only for consumption in Canada but for consumption abroad. If Canada is to survive and thrive in the economics of today's world, we can no longer be hewers of wood and drawers of water. We must progress. We must do it with fervour and with one goal in mind. We must reach that goal. However, we cannot achieve it without the funding and the backing of the Government.

The unemployment rate in my region is enormous. It is over twice the national average. This is an area in which value-added products in agriculture, forestry and mining could add to the employment base.

I suggest that in the future the Government put the Federal Business Development Bank back into the business of making small entrepreneurs its first priority. I suggest the Government reduce the unnecessary forms and red tape and target federal contracts to the small business sector. I suggest the Government establish a more aggressive "buy Canada" program and an export marketing agency to help small manufacturers with limited resources to make contacts abroad. I suggest that the Government prohibit banks from requiring small businesses to meet unreasonable collateral requirements on loans. There should be a push from the Government for a commitment from the banks to stop discriminating against women who seek start-up loans.

Those are some of the suggestions that I put forward. I ask that the Government listen to them in the future before it puts this Bill into law.

The Acting Speaker (Mrs. Champagne): At this point in time we could start the period for questions and comments. However, it is 12.59 p.m. and I would seek the unanimous consent of the House to call it one o'clock. Is it agreed?

Some Hon. Members: Agreed.

[*Translation*]

It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

THE ENVIRONMENT

OPPOSITION TO TRANSFER OF TOXIC WASTE TO ABITIBI

Mr. Guy St-Julien (Abitibi): Mr. Speaker, Québec Environment Minister Lise Bacon should immediately remove the PCBs in Québec schools and hospitals and store them safely in the regions they come from, not send them to Senneterre in Abitibi-Témiscamingue. PCBs in Senneterre are just the thin edge of the wedge. Once they are all disposed of, other toxic waste will follow, as Ms. Bacon knows. Opening the door to PCBs from the South means opening Senneterre's door to all of Québec's toxic wastes. The region is big and we are few, Mr. Speaker, but we are fully alive, in good health and love our environment.

* * *

[*English*]

HISTORIC EVENTS

COMMEMORATION OF HISTORIC MEETING IN P.E.I.

Mr. Joe McGuire (Egmont): Mr. Speaker, on September 1, 1864, 15 delegates from the Maritime provinces assembled in the legislative council chamber of Province-House in Charlottetown, P.E.I. They gathered to consider a proposal which would have New Brunswick, Nova Scotia and P.E.I. form a legislative union. To this meeting came five officials from Canada, John A. Macdonald, Georges Etienne Cartier, George Brown, Alexander Galt and Thomas D'Arcy McGee. They came, as an historian of the time stated:

To till the fertile soil of reason and to plant the seeds of a great nation.

This year Prince Edward Island and Canada are paying tribute to the memory of those men who were the fathers of our country who built better than they knew, who created a nation that is the envy of all others. This summer P.E.I. is celebrating the 125th anniversary of this historic meeting. From June through September, there will be celebrations ranging from a world softball championship in Summerside to a royal visit by Prince Andrew and the Duchess of York.

My three colleagues from P.E.I., the Government of Premier Joe Ghiz, and the Speaker of the Legislative Assembly, the Hon. Edward Clark, join me in inviting you, Mr. Speaker, all Members of this House and all our fellow Canadians to come to our friendly shores and join in these historic celebrations.

* * *

HEALTH CARE

FUND-RAISING IN UNIONVILLE, ONTARIO

Mr. Bill Attewell (Markham): Mr. Speaker, last fall two and a half year-old Jeffrey Savage of Unionville was hit by a car and became a paraplegic. His mother, Deb, brought Jeffrey home from the hospital this month. The entire proceeds of the Unionville Village Festival dance in June will go towards Jeffrey's care and rehabilitation as he starts down a new and difficult path.

Earlier this year, 18 year-old Kurt Gengenbach of Unionville suffered a severe spinal injury in a hockey accident. Next week on May 4, over 1,200 people will be attending a fund-raising dinner for Kurt at $100 a plate. On May 7, a "Run for Kurt" will take place starting at Unionville High School. Proceeds from both these events will go toward Kurt's home care and renovations to his home for wheelchair accessibility.

I salute and applaud all those people of my riding of Markham who are participating in these warm and generous expressions of goodwill.

* * *

THE BUDGET

IMPACT OF PROPOSED NATIONAL SALES TAX

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the Finance Minister's statement yesterday that he will act alone without the assistance of the provinces to implement his pet project, a new national sales tax, indicates the futility of that exercise, and like his equally unmoving determination on interest rates, shows how out of step with Canadians he is on the economy.

Canadians do not want high interest rates and they do not want the new national sales tax program which threatens everything from new home construction, as argued by the Canadian Real Estate Association, to our children's music education.

This Government is continuing to fail to protect Canadian interests. The Free Trade Agreement, high interest rates and the value of the dollar are killing the small manufacturer. At the same time the proposed national sales tax will cripple the consumer. What we need in this country is a real tax reform and a Minister of Finance who understands the Canadian economy and the needs of the ordinary Canadian citizen.

* * *

IMMIGRATION

PLIGHT OF SALLY ESPINELLI

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, three months ago the Minister of Employment and Immigration allowed Violeta Juayong to remain in Canada. Sally Espineli, also of my community, was not so fortunate. She was deported eight months ago on the same grounds as Violeta, that she misrepresented her marital status.

Late last week the Canadian Human Rights Commission ruled that discrimination may have occurred in her case. The agony for Sally, and for many others who entered Winnipeg under similar conditions, have continued. I now urge the Minister to show the same humanitarian concern for Sally Espineli, and bring her back to Canada now instead of waiting for the final decision of the Human Rights Tribunal.

My sentiments are shared by all members of my community, by the Premier of Manitoba, by members of the Opposition and also by senior members of the Cabinet and government caucus. I am confident the Minister and the Prime Minister (Mr. Mulroney) will do the right and honourable thing and promptly end the human suffering of my community by taking action to rectify this intolerable situation.

S. O. 31

FREE TRADE AGREEMENT

GREATER FREDERICTON FREE TRADE FORUM

Mr. J. W. Bud Bird (Fredericton): Mr. Speaker, I wish to take this opportunity to advise all Hon. Members about the Greater Fredericton Free Trade Forum which is an innovative community approach being taken throughout my riding of Fredericton and York Sunbury towards the realization of the opportunities offered by free trade with the United States.

Fredericton is well located in close proximity to the USA and many of our small businesses have already commenced to expand their horizons in pursuit of business in New England. There is a prevailing mood of optimism and challenge in the business community of greater Fredericton in this regard, and so it was recently decided to make free trade a co-operative undertaking by the whole community.

The movement will be led voluntarily by private business people sharing the support facilities available from our universities, the Research and Productivity Council, CFB Gagetown and our Chambers of Commerce. Altogether there have been eleven Mayors, eight provincial MLAs and three Members of Parliament working together on a non-partisan basis to help organize this campaign.

The purpose of the Greater Fredericton Free Trade Forum is to stimulate the total area to take advantage of the potential offered by free trade—

Mr. Speaker: I'm sorry, but the Hon. Member's time has expired.

* * *

ELECTIONS ACT

ENUMERATION PROVISIONS OF URBAN AND RURAL DWELLERS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, during the enumeration leading up to the last federal election, many of my constituents were out of town when enumeration took place. There were some people who were in the riding who were not enumerated and for that reason they lost the right to vote. It seems ironic that federal judges and lately the mentally handicapped have won the right to vote from a federal judge, yet urban dwellers such as those in my riding of Welland—St. Catharines—Thorold remained out in the cold.

Rural dwellers can register to vote right up to voting time, but urban dwellers must do so by the seventeenth day before the elections. I think that this is unfair. I believe that urban voters should be able to register to vote right up to election day just like rural people and that way they will not be disenfranchised.

Mr. Arthur Mills of my riding was one of the disenfranchised Canadians. On his behalf and on behalf of Canadians who did not have a chance to vote, I urge that the Government address this problem and correct it before the next federal election.

* * *

NATURAL RESOURCES

UTILIZATION OF WESTERN CANADIAN LOW-SULPHUR COAL URGED

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to encourage the Government of Canada to do all that is necessary and practical to encourage the utilization of western Canada low-sulphur coal in the central Canadian industrial basin. The western coal would largely displace imported coal from Pennsylvania and elsewhere offshore. The implementation of this recommendation would accomplish two worthy objectives: First, by encouraging the use of a domestically produced coal, our nation's balance of payments would be improved. More important, because western Canada produces coal much lower in sulphur content, the subsequent emissions from the use of western coal is significantly preferred in protecting our environment from the contaminations of sulphur dioxide or acid rain. This suggestion could save Canada $2.4 billion, generate 13,000 permanent jobs and at the same time protect our soil, water and air from contamination.

* * *

TAXATION

UNFAIR INCREASE IN TAXATION RATES ALLEGED

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, this morning I received a letter from a very troubled resident of Vavenby, British Columbia, who feels he has been excessively taxed. In 1986 on an income of $19,500 he paid $1,035 in income tax. However, by 1988 on an income of $23,000 he was forced to pay nearly $3,000 tax. In three years, while his income increased by 18 per cent, the Conservative Government increased his income tax by 175 per cent. He believes he has been unduly taxed. An $1,800 income tax grab from a man who has worked all his life for his community and his country is not right, especially when he knows that 60,000 large profitable corporations pay no taxes at all. This man from Vavenby,

British Columbia, whose income tax increased 175 per cent in three years says not that only will he not pay more income tax, he cannot pay more income tax. What will he say when he learns on Thursday that he soon will be forced to pay a new national sales tax for the purchase of clothing, books, car repairs, everything? I suggest that a taxpayer's revolt is in the making.

* * *

• (1410)

[*Translation*]

EMPLOYMENT

IMPORTANCE OF CHALLENGE '89 FOR YOUTH

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, I am glad that my first statement in this Second Session of the 34th Parliament is good news for the young people in my riding.

Indeed, Mr. Speaker, with the approval of 131 Challenge '89 projects in Québec–Est, I am proud to announce that 238 students this summer will be able to benefit from a quality well–paying work experience, thanks to a federal financial contribution of $293,639.

The Challenge program, created in 1985 by the Conservative Government, has been very successful throughout Canada. For example, 400 companies in my riding have been able to hire almost 700 students, thanks to this program.

This initiative of my Government must be emphasized and encouraged.

* * *

[*English*]

AIR CANADA

DISCONTINUANCE OF JET SERVICE TO STEPHENVILLE, NEWFOUNDLAND

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, Air Canada's plan to discontinue jet air service into Stephenville is an absolutely devastating body blow to the economy of southwestern Newfoundland.

Of course the move is a direct consequence of the Government's airline deregulation policy, a policy which decrees that the public's right to an adequate transportation network must play second fiddle to the whims and balance sheets of corporations.

It is a policy which is rapidly translating into inferior air service for people in less populated areas; a policy which, together with rural postal closings and railway abandonments, is working wonders in the Government's grand scheme to shut down rural Canada.

There is just one way that Air Canada and its service to Stephenville can be saved, that is through the direct intervention of the Minister of Transport (Mr. B. Bouchard). His colleague, the Member for St. John's West (Mr. Crosbie), already asked him to instruct the National Transportation Agency to hold public hearings on the matter. I now ask the Minister to do exactly that, with a view to according Newfoundland special designation as the NTA Act provides.

* * *

NATIONAL SECRETARIES' DAY

Mr. Doug Fee (Red Deer): Mr. Speaker, tomorrow is National Secretaries' Day and I want to encourage everyone who works with a secretary to take a few moments to consider their value.

I suggest that every Member of the House and every manager in the country assess his or her effectiveness and recognize the contribution that their assistant or secretary has made toward that effectiveness. Receptionists, clerks and secretaries are seldom given the credit or respect they deserve. Yet they are as responsible as anyone for the continued efficient operation of our industrial plants, hospitals, businesses and offices.

Florists and restaurants will do well tomorrow as people recognize National Secretaries' Day, but I would encourage those buying the flowers and lunches to recognize also the importance of the position and the person who fills it.

* * *

[*Translation*]

EDUCATION

LACK OF FUNDS

Mr. Ronald J. Duhamel (Saint–Boniface): Mr. Speaker, the Government has changed the formula for transfer payments to colleges and universities, a decision that will give these institutions several billion dollars less in financial assistance. The Government's financial support for research and development is half that in the United States, Japan and Sweden.

The Government has capped grants to Native people who are interested in post-secondary education. It has invested less than $5 per person per year in literacy training.

The Government has not changed the criteria for student loans since 1984. Its program to help part-time students is a flop: less than half of 1 per cent of students have applied.

Mr. Speaker, because of the Conservative Government, we can no longer say that education is an investment. Nowadays, education is an investment people cannot afford.

* * *

[*English*]

CHEMICAL WARFARE

TREATY FOR BANNING CHEMICAL WEAPONS PROPOSED

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the revelation that poison gas of some kind was used, fatally, against demonstrators in Georgia is very sorry news indeed. It must be widely condemned as totally reprehensible and never repeated again. Those who made the decision to use it should be brought to justice.

Unfortunately, it seems that the world is on a slippery slope to increased use and increased tolerance of chemical warfare, as we learned to our horror when Iraq employed chemical warfare on his Kurdish population in surely one of the most despicable acts in recent history.

There has been much talk of the need for a treaty to ban all such chemical weapons, as well there should be. It is certainly needed, not just to prevent nations from using such chemicals against each other but also to protect their own citizens. We urge the Government to actively promote such a treaty.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

PROPOSED NATIONAL SALES TAX—POSITION OF PROVINCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker,—relax Barbara—my question is directed to the Minister of Finance.

Mrs. McDougall: Relax Michael.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I owe you one.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): My question is directed to the Minister of Finance, the man who has so mismanged the economy of the country that after four budgets he now claims to have a budgetary crisis; a man who, in a short four years, has doubled the total public debt of this country. He is Minister of Finance in a Government that last year spent over $91 million of taxpayers' money on advertising—

Mr. McDermid: Wrong.

Mr. Turner (Vancouver Quadra): —and a Minister of Finance who has just started running public ads at the taxpayers' expense to explain why government spending is out of control.

The Minister stated that the provinces refused to go along with the national sales tax. To what do the provinces object? Is it his new tax on books? Is it his new tax on music lessons? Is it his new tax on shoes, his new tax on auto insurance, or are the provinces really objecting to the fact that this is a Minister of Finance who, in an unprecedented way, has to go to public advertising at the taxpayers' expense to explain to Canadians why he will have to raise taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened to the preamble by that well-known expert on deficit financing—

Some Hon. Members: Hear, hear!

Mr. Mulroney: The father of it.

Mr. Wilson (Etobicoke Centre): As the Prime Minister says, the father of deficit financing. I encourage the Hon. Member to read Terry Wills' column in the *Gazette* of last Sunday which showed how government spending under his stewardship as Minister of Finance went from something like 13 per cent to 23 per cent to 29 per cent—

Mr. Gauthier: You are the pro.

Mr. Wilson (Etobicoke Centre): —and then came back to 25 per cent.

Mr. Gauthier: You are the pro.

Mr. Wilson (Etobicoke Centre): The Hon. Member behind the Leader of the Opposition says that I am the pro. Let us look at what happened.

Mr. Boudria: You doubled the debt.

Mr. Wilson (Etobicoke Centre): In the last four years government spending on programs has averaged 3.5 per cent a year. I will match that 3.5 per cent a year any time against that 25 per cent average—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, when I left the custody of the public finances of this country, the total public debt of Canada was $26 billion, less than the annual deficit of that Minister.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We are talking about a Minister who inherited a public debt of $170 billion and now gives Canadians a public debt of $330 billion—double in four years. That is his record.

[*Translation*]

THE NEW NATIONAL SALES TAX—REQUEST FOR CLARIFICATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance says that the provinces object to his new national sales tax. And of course we would like to know why.

Do they object to his new tax on daycare services? To his new tax on train and bus travel? To his new tax on plumbers' or electricians' bills? Or to his new tax on life insurance and insurance of personal belongings? To his new tax on accounting fees or to his new tax on funeral expenses?

So explain that to Canadians!

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is political opportunism at its best.

Some Hon. Members: Oh, oh!

Mr. Allmand: Strike two, Michael.

• (1420)

Mr. Wilson (Etobicoke Centre): The Hon. Leader of the Opposition rises, and in a very self-righteous way, he reads off this list. Let me read off something to him. This is the unanimous 15th report of the Finance Committee of this House, signed by his finance critic and his deputy finance critic in the last Parliament. It says that, in short, a single rate value added tax on the broadest possible base is a desirable objective.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition is sitting there in his place saying that all that was said in the last Parliament is behind us, we do not look back, we do not look at anything that was said by the people who represented him on that Finance Committee. Canadians are not going to fall for that one. They know a political opportunist when they see one.

POSITION OF PROVINCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we opposed a value added tax or a national consumption tax before and during the election campaign. I can understand the Minister being sensitive. He will not only tax funerals, he will tax the reading of the will through this particular sales tax.

I see the Prime Minister coaching the Minister of Finance.

An Hon. Member: He's in trouble.

Mr. Turner (Vancouver Quadra): He's in real trouble.

I would like to suggest to the Minister of Finance one way of eliminating the public debt of Canada—put a tax on every election promise made and broken by the Prime Minister since the last election.

What do the provinces really object to? Do they object to the Minister's new proposed tax on movie tickets, his new tax on clothing, his new tax on cleaning bills, his new tax on car repairs, his new tax on bank charges or his new tax on roofing repairs, or do the provinces really object to a new national sales tax which will increase the cost of a new home by thousands upon thousands of dollars?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition just confirmed what I said when I said that he was a political opportunist. On March 16, 1987, both his finance critics signed this report, and presumably, unless he has totally lost control of his Party, they did so with his knowledge and support.

Then in late September, I believe about four days before the election was called, what happened? The road to Damascus is a long one. He changed his position totally because of the impending election. He saw himself going straight south in the polls and he thought he would have the biggest election defeat ever, even bigger than the one in 1984. That is why the Leader of the Opposition changed his mind then. Now he is grandstanding on the political stage, trying to—

Mr. Speaker: The Hon. Member for Etobicoke North.

IMPACT OF PROPOSED SALES TAX

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. Since sales taxes by their very nature are regressive, lower and middle-income families will pay proportionately more of the new sales tax than will higher income families.

During the recent election campaign the Minister of Finance indicated that the new sales tax rate would be 9 per cent. For a middle-income family, estimates of additional taxes to be paid are $700 annually. Has the Minister recognized the widespread inflationary impact of such an additional tax as well as its greater cost to lower-income Canadians than to higher-income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wonder who the real Roy MacLaren is. It says here in *The Ottawa Citizen* of March 21, "MacLaren said he also supports—"

Some Hon. Members: Answer the question!

Mr. Wilson (Etobicoke Centre): Hon. Members do not like to hear these things. "MacLaren said he also supports the need for a new broadly based national sales tax—"

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): "—to replace the current narrowly based federal sales tax on manufacturers which he agreed is badly flawed".

I do not want to make this into a partisan game. I do not want to try to gain political points. I think the Hon. Member understands that the existing manufactured sales tax is flawed and must be changed.

Mr. Turner (Vancouver Quadra): What's the record? What's the record since Confederation?

Mr. Wilson (Etobicoke Centre): I think that the Leader of the Opposition, if he looked into his own heart, would also agree that it was in need of change. I ask Hon. Members opposite to come forward with how they would change the sales tax because they know that there has to be a change in the national sales tax.

MINISTER'S POSITION ON SALES TAX

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I am not surprised that the Hon. Member would ask us how to deal with his problems. He obviously does not know himself.

The Minister is unable to give any assurances to Canadians that the regressive sales tax he intends to introduce will not impose an inflationary burden on them. If we are to believe him, lower-income Canadians will not pay more than higher-income Canadians. Is that what he is saying today? The Minister should come clean and tell Canadians that the burden of the new sales tax will be incurred more by lower-income Canadians than by higher-income Canadians and that it will be inflationary.

Does the Minister not recognize that the current federal sales tax is a hidden tax? Consumers do not see it. Can he now assure the House that any new sales tax he introduces will not be equally hidden? Can he assure the House that it will not be merely an additional and regressive way to increase taxes so as to reduce the Government's deficit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said that I am asking them, because I do not seem to know what I want to do. I know what this Government wants to do. We have made our decisions. Those decisions will be presented in the House on Thursday evening at 5 o'clock.

The Leader of the Opposition keeps referring to his record. He keeps interjecting about the record. Let us look at his record. The inflation rate jumped from 5.1 per cent to 10.6 per cent. The bank rate rose by 4.25 per cent during 33 months in office. Unemployment grew by 165,000. Spending doubled. The Public Service grew by 66,000, and the Auditor General stated that Parliament had lost or was close to losing effective control of the public purse. That is the record of the Leader of the Opposition, and we do not want any more of that.

Some Hon. Members: Hear, hear!

TAX REDUCTIONS QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. We have just heard the Minister of Finance make some interesting accusations about political opportunism and the importance of staying with words one had uttered in the past when they are applicable to the future.

I have here a news story quoting the Minister of Finance who, in the middle of the fall, 1988, election campaign, was talking about the introduction of a new comprehensive sales tax.

In that article, he said that it would be introduced in the context of tax reform, that its impact would be revenue neutral, which is to say that any additional revenues coming from that tax would be offset by tax reductions, specifically tax reductions for middle-income families. The Minister of Finance has just talked about political opportunism. Does he stand by that commitment? Will the introduction of the new sales tax be offset by tax reductions?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. friend has been in the House since approximately 1968. He knows that tax matters are dealt with in Budgets. Therefore, he knows perfectly well that I cannot give him an answer in anticipation of a Budget two days from now.

ELECTION CAMPAIGN COMMITMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Minister of Finance that what he has said now is not the case. Two days ago he publicly announced that we were going to have a tax increase. He has a right to do that as Minister of Finance. He has the right now to make it clear that he is going to live up to his election promise that middle-income Canadians will get a tax cut. He knows he can say it, and he should say it.

Since the Minister has been so eloquent in his criticism of the Leader of the Official Opposition in quoting words back to him, why will he not come clean on his own commitment to the people of Canada, and in this year 1989 live up to his commitment made in the fall of 1988. Will the Minister do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is referring to the concept of fairness.

Mr. Broadbent: Yes.

Mr. Wilson (Etobicoke Centre): What I want to draw to his attention, as I have done many times in the past, is the record of this Government over the course of the past four years in improving the fairness of the tax system by taking out loophole after loophole.

Mr. Turner (Vancouver Quadra): What a joke!

Mr. Wilson (Etobicoke Centre): I hear another interjection from the Leader of the Opposition. Let me remind Hon. Members that it was when he was the Minister of Finance that a number of the loopholes that I removed from the tax system were put in by him.

I wish to remind Hon. Members of others, the scientific research tax credit that was removed, the carve-outs, the limited partnership bump, tax benefits for those who were buying yachts and hotels—

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, the Minister of Finance did not even blush when he talked about the Conservatives producing tax reform. I can tell him average Canadians know that between 1984 and 1988 under this Government their taxes went up by some $1,300, while the richest Canadians' taxes went down by a few hundred dollars. That may be tax reform for the Tories, but it is not for the rest of the people of Canada.

[*Translation*]

TAXATION OF HIGHER-INCOME CITIZENS AND MINIMUM TAX ON PROFITABLE COMPANIES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question is directed to the Minister of Finance. Instead of taxing Canadian families to the tune of $1,000 with the new sales tax, why didn't the Minister tax Canadians with very high incomes or introduce a minimum tax for profitable companies? That would be progressive, so why won't the Conservatives buy it?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have never made any denial of the fact that taxes went up during the time that we were in office over the past four years.

Mr. Broadbent: Down for the rich, Michael; up for the rest.

Mr. Wilson (Etobicoke Centre): Let us put this in proper perspective.

Mr. Shields: You're shouting like Shirley Carr down there.

Mr. Broadbent: She's right sometimes.

Mr. Wilson (Etobicoke Centre): Revenues went up quite substantially during the last four and a half years, but 80 per cent of the increase in those revenues was because of a healthier economy. There were 1.5 million new jobs created during that period of time.

I want to remind the Hon. Member that when one looks at the increase in revenues and at the number of loopholes, and the changes that we made in the tax system to remove people from the tax system, and I believe it was 850,000 people—

Mr. Riis: Sixty thousand profitable corporations don't pay any income tax.

Mr. Wilson (Etobicoke Centre): There were 850,000 people who were taken off the tax rolls while we were bringing in tax reform in 1988. That is reform. That is progress. That is why we are looking forward with confidence to the years ahead.

[*Translation*]

UNILATERAL METHOD OF IMPOSING TAX—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. For some years now, the world unilateral has been anathema to the Prime Minister, who was tended to condemn every unilateral gesture made by previous governments. Considering that today, the Government of Québec is condemning Ottawa's attitude, how can the Prime Minsiter justify introducing his own tax unilaterally, against the wishes of the Government of Québec, and in the process take billions of dollars out of the pockets of Québecers?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we made it quite clear from the release of the White Paper on Tax Reform in June, 1987, that there were three options that we were looking at. One was a national sales tax, and the other two were federal only forms of taxation.

During the course of this time we have had very good meetings with the provinces trying to get a better understanding of what the operations of a national sales tax would be, and whether or not there was a meaningful commitment on the part of the provinces to follow through on this objective.

As I indicated in the House yesterday, there is a different sense of urgency on the part of the provinces relative to the federal Government.

As the Hon. Member's seat-mate would agree, we must change the manufacturers' sales tax and bring in a fairer tax. The provinces have a sales tax system which is not broken. We felt that we had to move ahead, and that was the decision that we took last week.

[*Translation*]

JUSTICE OF TAX

Hon. Jean Lapierre (Shefford): Mr. Speaker, if the Minister of Finance failed to convince his provincial colleagues, who know all the ins and outs, that this new national tax is fair and appropriate, how can he possibly expect to convince the general public that this tax is necessary, fair— Does he—

[*English*]

Mr. Clark (Yellowhead): Ask Raymond Garneau.

[*Translation*]

Mr. Lapierre: According to the former leader— In any case, the last two Liberals who agreed with the Minister of Finance on the VAT were defeated, and that is probably what is going to happen to this Government because of a tax that will go down in history as Brian's tax.

Could the Minister of Finance explain how he expects to convince the House and the general public that this tax is fair when he was unable to convince the Finance Ministers, who must be aware of Canada's fiscal situation? I can't believe it!

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me take a minute to remind the Hon. Member why the two finance critics of the Liberal Party in the last House agreed—

Mr. Lapierre: But they were defeated. They are not here. They paid highly.

Mr. Wilson (Etobicoke Centre): —that we should be moving from the existing sales tax to a new sales tax. It is a hidden tax. It is applied in a very arbitrary manner. It is a burden on our exports. It puts imports in a more favoured position than Canadian domestic production. For all these reasons it is a drag on our economy and it is costing us jobs.

Therefore, the Finance Committee, and the provincial Finance Ministers agreed that we must move to a new form of sales tax and scrap the existing sales tax because it is simply not working.

[*Translation*]

NEW TAX—EXEMPTION FOR MUNICIPALITIES—MINISTER'S POSITION

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Finance. In 1987, the Minister said that the new sales tax would not increase the tax burden on Canadian municipalities. Yesterday, the Minister mentioned a number of exemptions, including hospitals. He forgot to mention municipalities. Could the Minister of Finance confirm today that Canadian municipalities will be exempted from his new sales tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is quite right. We did make a statement. The provincial Finance Ministers and myself agreed on an approach that we would take to the municipal sector as well as the emanations of the provinces, the universities, schools, and hospitals, as the Hon. Member has pointed out.

At this time I would reiterate that the rebates of sales taxes paid on the purchases made by those organizations, including municipalities, ensure that reform of the federal sales tax imposes no greater tax burden than was the case before sales tax reform.

EFFECT OF TAX CHANGE ON MUNICIPALITIES

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my supplementary question is the following. This tax will shift part of the federal Government's deficit to the municipalities, that level of government which has the least flexible means of meeting its tax base. It will also cripple the municipalities' efforts to meet those new social demands that are placed on them.

• (1440)

Will the Minister now tell us that all of those agencies in municipalities old age residences, golden age clubs, all the non-governmental organizations which meet the demands of the municipalities, will be exempted from this tax so that hundreds of thousands of Canadians will not have to face increased taxes to meet demands currently being met by them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I don't think that the Hon. Member listened to my answer, or possibly he had prepared his question before and didn't change it when he heard my first answer. Let me repeat.

The Government will provide rebates of sales tax paid on purchases to ensure that reform of the federal sales tax imposes no greater tax burden on municipalities than is the case before sales tax reform.

Some Hon. Members: Hear, hear!

REQUEST FOR INCOME TAX REDUCTION FOR AVERAGE FAMILIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, yesterday the Minister of Finance announced one of the biggest tax grabs in Canadian history for ordinary people.

Mr. Broadbent: Shameful!

Mr. Nystrom: This national sales tax of 9 per cent will mean about a $1,000 tax increase for the average Canadian family.

The Minister made a promise in the election campaign that this tax would be revenue neutral. I have his quotes here and he said that one thing he would do would be to reduce the income tax for average families in this country. I want to know now whether or not he is going to keep his word, live up to his commitment, live up to his campaign promise and reduce income taxes for ordinary Canadians.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, only the New Democrats would denounce a tax before they have seen any of the details of it.

Mr. Broadbent: Listen to the question.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, Hear!

Mr. Wilson (Etobicoke): Mr. Speaker, I know that the Leader of the New Democratic Party is very anxious.

An Hon. Member: Which one?

Mr. Wilson (Etobicoke): It is hard to tell. But Thursday afternoon we will give him some answers.

Mr. Lorne Nystrom (Yorkton—Melville): The Minister of Finance has already announced this to be inflationary as well, Mr. Speaker. He has already made a lot of announcements.

MACDONALD COMMISSION REPORT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to ask the Minister about tax fairness. The Macdonald Commission said, in 1986, that a shift away from a manufacturers' sales tax or national sales tax

would shift the burden away from provinces with manufacturing to provinces that do not have manufacturing.

In light of the study by the Macdonald Royal Commission, how can the Minister justify the shifting of hundreds of millions of dollars of tax burdens from have provinces to have-not provinces like Saskatchewan, Manitoba, the Maritimes and Newfoundland? How can he justify this tax shift from the richer provinces to the poor people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there was another Member from Saskatchewan by the name of de Jong who said on May 28, 1987: "I do not have to be convinced that the sales tax regime which now exists is in need of reform. It is, as I mentioned, very arbitrary and confusing."

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke): If the Member from Regina says that the sales tax regime is in need of reform, maybe he should advise the Member from Yorkton—Melville just how he would reform it.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke): We are putting forward a proposal on Thursday. We have indicated that we have discussed this at some length for the last nearly two years. It will be a specific proposal, and I look forward to some more constructive comments from the Hon. Member.

* * *

REVENUE CANADA

SPECIAL AUDIT OF AGRICULTURAL EQUIPMENT TRADE-IN ALLOWANCES

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Minister of National Revenue. It concerns the business investment tax credit and the heavy equipment trade-in over allowance special audit.

As the Minister knows, there are some 600 taxpayers who were reassessed before this audit was curtailed and they have been awaiting the results of a test case.

Since the test case has been abandoned, and given the long delays in this matter, will the Minister consider instructing his officials to reverse these unfortunate reassessments? What is the Minister's intention now that the test case has been abandoned?

Hon. Otto Jelinek (Minister of National Revenue): That is, of course, a very important question, Mr. Speaker, although I hate to interrupt the Minister of Finance who was on such a great roll. I am sure he will get back on it.

Some Hon. Members: Hear, hear!

Mr. Jelinek: As the Hon. Member knows, both my predecessor and I have been working with the agricultural community and the appropriate individuals very closely in assisting them to follow the procedures of reassessment. We were hopeful that the test case which came forward would set a precedent for the rest of the cases. Unfortunately, that test case was withdrawn by those involved and they accepted Revenue Canada's decision.

We are now working with the community and looking for a new test case to come forward. The bottom line is that I am in touch with every affected individual in the agricultural community, working with them to try to find a satisfactory solution.

* * *

THE ECONOMY

NATIONAL DEFICIT—GOVERNMENT ADVERTISING CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. During the last election campaign the Prime Minister said:

> We have dealt with the deficit. Our promises are all within Michael Wilson's fiscal framework. Every nickel has been accounted for.

Assuming that the Prime Minister was telling Canadians the truth at that time, could he now explain why his Government is spending taxpayers' money to advertise across the country telling Canadians about the urgency to reduce the deficit?

In other words, why is the Government spending more money to convince itself to spend less money?

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I presume from the way the Hon. Member puts the question that he agrees we do have a debt problem and a deficit problem and that it is important for us to get on and deal with them.

The purpose of the advertising is to make sure Canadians understand that and have a full appreciation of the magnitude of the problem. The Hon. Leader of the Opposition wants to get back to what happened in the fall. I thought he was trying to forget that.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Boudria: Through you, Mr. Speaker, I direct a supplementary to the Minister of Finance. I hate to quote the Prime Minister using his own words, because I know how unfair that could be.

[*Translation*]

GOVERNMENT EXPENDITURES—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to ask the Prime Minister a supplementary question, Mr. Speaker. Over the past 12 months, the Government has spent some $91 million to explain to us the need to cut back. If it were so important to save money today, why did the Conservatives forget all that during the election campaign when they made $19 billion in election promises? And why did the Prime Minister forget all these commitments and all the financial difficulties of the Government during the Lac-Saint-Jean by-election, when $162 million in goodies were given out to get his friend elected to the House of Commons?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a range of advertising programs that we have introduced as a Government to advise Canadians of the types of programs available to them. Since we do have these programs it is important that Canadians understand that they are there and understand how they can take advantage of them. Surely it is a responsibility of the Government to do that type of advertising.

* * *

EXTERNAL AFFAIRS

LEBANON—PROCESSING OF VISA APPLICANTS ON CYPRUS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the Secretary of State for External Affairs. A spokesman for the Canada-Lebanese Association has criticized the Canadian Government for not offering sufficient aid to Lebanese refugees fleeing Beirut. There are 10,000 to 15,000 refugees in Cyprus who are forced to stay there while waiting for visas. Surely the Government cannot expect one official to process all of the refugees who are applying for visas to Canada.

Will the Government open a full consular office in Cyprus with sufficient immigration officers and support staff?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was interested to note the news report to which the Hon. Member is referring. If the individual who is making those allegations would provide us with names and actual evidence we would be very much interested in having that. We have asked him for that material and to this point it has not been forthcoming.

• (1450)

There are two matters I should report to the House. One is with regard to Cyprus. We are checking on a daily basis, and there is no question that the Canadian officials who are there now are adequate to meet the requirements. If there is a greater requirement we will have officials there in order to ensure that the actual demand is responded to adequately by Canadian officials.

The larger question is how do we try to bring an end to the events in Lebanon which all of us find tragic. This Government is playing an active role. The Prime Minister of Canada has recently been in touch with leaders of the Lebanese community in Canada. He has been in touch with the President of France. We are in touch with other international organizations, including representatives of the Arab League, who, as the Hon. Member will know, are now bringing forward proposals which we all hope might bring some resolution to a regrettable situation in Lebanon.

Some Hon. Members: Hear, hear!

REQUEST FOR EMERGENCY UNITED NATIONS DEBATE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, the Minister knows that yesterday over 800 Canadian demonstrators in Montreal demanded that the Government increase staff in Cyprus, and urged the Secretary of State to ask for an emergency debate on this issue in the Security Council.

The Minister made reference to France and the initiatives of the Arab League. He knows that France has already tried and failed to get the superpowers and the European leaders interested in promoting a Lebanese peace process. The Arab League has tried to broker a cease-fire but has not been successful.

Considering that the bombing is getting worse and more lives are being lost by the hour, would the Minister update this House on any meetings of the Security Council on this issue? Would he reconsider his position of last week and call for an emergency debate in the Security Council?

Right Hon. Joe Clark (Secretary of State for External Affairs): As I indicated when the Hon. Member raised this serious question earlier in the House, we keep that matter under regular consideration, and when an occasion arises and it appears to us that a debate in the Security Council might advance the cause of peace and stability in Lebanon, certainly Canada will seek that kind of debate.

He asked for an update on developments. I should give him two. The Government of Canada is giving priority to family and relatives who are already in the system. I believe that that will be of some interest to the persons who were expressing their concern in Montreal and elsewhere.

I can report to him that tomorrow the Committee of Six Ministers established by the Arab League will be presenting its recommendations to the full Council of the Arab League. I think the Hon. Member would agree that that is one avenue that is worth pursuing.

The Government of Canada is encouraging the Arab League, as we continue to encourage the French, the Americans and others, at the highest levels of our Government, to ensure that there is the quickest possible progress made toward achieving some peace in Lebanon.

Some Hon. Members: Hear, hear!

* * *

NUCLEAR ARMAMENTS

MODERNIZATION OF NUCLEAR WEAPONS—CANADIAN POSITION

Mr. Bill Blaikie (Winnipeg Transcona): My question is also for the Right Hon. Secretary of State for External Affairs. The Minister will know of the discussions that are going on in Washington today with representatives of the German Government concerning the issue of the modernization of nuclear weapons in Europe.

Given the concern that many Canadians have over this issue and the threat that it poses to that which was accomplished by the INF Treaty if this modernization were to go ahead, and the inadequate response that that would be to things going on in the Soviet Union, I would like to ask whether the Minister is prepared to say today that the Canadian Government has changed what appears to be its position on the modernization of nuclear weapons, and is now prepared to support what appears to be the German position and reject the modernization of nuclear weapons.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is making reference to discussions that are occurring in Washington now. The Foreign and Defence Ministers of the Federal Republic have been meeting with their counterparts in the United States. I do not think that either of us knows the exact nature of the discussions that were put forward at that time. We have both read news reports, and I expect to be fully briefed on those discussions before I comment upon them in any detail in the House of Commons.

With regard to modernization, it is the position of the Government of Canada that it is important for us to have together modernization and negotiation—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The New Democratic Party which made light of the two-track decision which led us to the elimination of INF missiles is now continuing to make light of an approach in the Alliance—

An Hon. Member: Joke, joke.

Mr. Clark (Yellowhead): —building on the kind of solidarity that has proven effective in the past. We believe that that kind of solidarity in the West, that proved effective in the past in eliminating a range of nuclear weapons, can help the West and help the East move together to achieve reductions in over-all levels.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, it is not a question of solidarity within NATO. It is a question of a debate within NATO with a number of countries on either side, and us asking the Canadian Government to take a particular position. I wish the Minister would stop hiding behind solidarity and start doing some thinking on his own for a change.

Some Hon. Members: Right on!

TEST BAN TREATY

Mr. Bill Blaikie (Winnipeg Transcona): I would ask the Minister a supplementary question with respect to the nuclear arms race. The Minister will know that a conference has been triggered, thanks to the appropriate number of signatures being gathered at the UN, to reopen the whole matter of a comprehensive test ban treaty, something on which the Government of Canada has also been taking the wrong position. I am asking the

Minister today whether his Government is prepared to reconsider the position it has been taking on this and actively promote the arrival at a comprehensive test ban treaty.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows more than he lets on. He knows that agreeing—

An Hon. Member: That wouldn't be hard.

Mr. Clark (Yellowhead): —that agreeing to that particular proposal with regard to the comprehensive test ban negotiations would not in fact move that process forward. He knows that. He knows it would be another empty gesture. The Hon. Member and his Party seem to believe that it is enough in foreign policy to make empty gestures on the floor of the House of Commons.

An Hon. Member: Absolutely.

Mr. Clark (Yellowhead): That is not enough in foreign policy. What one has to do is try to follow concrete proposals, often in alliance with our allies, that will in fact achieve substantial reduction. The Hon. Member and his Party made light in the past of the two-track decision that led to a reduction in nuclear weapons. We believe—

Mr. Speaker: The Hon. Member for Cochrane—Superior.

* * *

TRADE

SOFTWOOD LUMBER EXPORT TAX—EFFECT ON NORTHERN ONTARIO

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of International Trade. Levesque Lumber, a sawmill situated in northern Ontario, has announced that it will be laying off 350 workers for at least two weeks in order to reassess its financial situation.

An Hon. Member: That is free trade.

Mr. Bélair: The owner has clearly indicated that the 15 per cent export tax on softwood lumber is a major contributing factor to its financial demise. This is casualty No. 7 in northern Ontario. Seventeen hundred jobs have been lost and there are more to come. What steps has the Minister undertaken in order to start the healing of this wound inflicted upon the sawmill workers of northern Ontario and of Canada?

Some Hon. Members: Hear, hear!

• (1500)

Hon. John C. Crosbie (Minister for International Trade): I thank the Hon. Member for his question.

An Hon. Member: How's the beach-ball?

Mr. Crosbie: You can't be away for a day, Mr. Speaker, but they are looking for you.

It is a coincidence, but the principal owner of Levesque Lumber Limited wrote me, as it happens, in December and he told me that the tax in question, the 15 per cent export charge, was one of about a dozen factors that were giving him difficulties in the sawmill and logging operation business.

The export charge is something we have been turning over to the Government of Ontario. The Government of Ontario has jurisdiction in the area of forestry. There were a number of factors affecting the competitiveness of northern Ontario mills in the U.S. markets, such as timber allocation policies, chip prices, and the market for softwood lumber generally.

So we are very sympathetic naturally to hear this news, but it is totally unfair to blame it on just one factor of probably a dozen affecting the situation.

Mr. Bélair: The Minister indicates that there are a dozen factors affecting this closure. Mr. Levesque is also on the record as saying the surtax is crippling his sawmill and that is the first reason it is closing as of Thursday.

[*Translation*]

DROP IN SOFTWOOD LUMBER EXPORTS—GOVERNMENT POSITION

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I have a supplementary question.

I also hear some Hon. Members from Québec. It will soon be your turn to ask your Minister the same question.

My supplementary question is the following, Mr. Speaker: Exports of softwood lumber to the United States from the sawmills of northern Ontario have dropped from a peak of 87 per cent in 1986 to 8 per cent in 1988.

In the context of free trade, which your Government praised so much, does the Minister not find this tax to be illogical, senseless and devastating for the lumber industry?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the concept of free trade had never been thought of, if I had never existed and the honourable gentleman had never existed, the mill in question would have had difficulty and would now be closing down. That is the unfortunate fact. There is no point attempting to blame it on the Free Trade Agreement. There is no connection.

The softwood lumber tax has no connection with the Free Trade Agreement, and the honourable gentlemen opposite have no connection with reality.

* * *

PRIVILEGE

MEMBERS OF PARLIAMENT—RIGHT TO SPEAK AND VOTE ACCORDING TO CONSCIENCE

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, as I rise today, it is not lightheartedly; it is after deep reflection. I rise on a point of privilege.

To start I would like to quote from the House of Commons Office of the Law Clerk and Parliamentary Counsel the definition of privilege. The official definition of privilege is found in *Erskine May's Parliamentary Practice*:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

I will deal specifically with breaches of privilege, the one of obstructing, molesting, or attempting to intimidate a Member in the discharge of his or her duties as it relates directly to me. I quote again from the December, 1988, Parliamentary Privileges Booklet, page 15, line 21:

> Direct threats, however, whether oral or written, made to a Member on account of his or her actual or intended parliamentary conduct is a contempt of Parliament.

My complaint relates to threats or intimidation by another Member of this House on April 11, 1989 in the afternoon of that same day, by the Hon. Member for Calgary West (Mr. Hawkes).

I want to put it in chronological order.

On April 5 the first draft of Standing Committees was given to Conservative Members. I had requested and was put on the Committee of Health and Welfare.

On April 11 the Conservative Members of that committee had an organizational meeting, which I attended. In the afternoon of that same day I was approached by my honourable colleague, the Member from Calgary West, and we had what he described as a friendly chat.

During that conversation he made it clear that he was not happy with my voting record in the Thirty-third Parliament and therefore could not trust me as long as I had this independent attitude. He threatened and told me he would take me off the committee unless I gave him a commitment to behave as a good boy, and if I would change my attitude he would reconsider and put me back on the committee and I would again be in his good graces. This friendly chat that took place can be confirmed by other Members.

Another means of intimidation was undertaken through the circulation of lists with names of Members who abstain on votes. The circulation of this list creates caucus peer pressure and in this way becomes a subtle form of intimidation.

I quote again from the December 8 Parliamentary Privileges Booklet. On page 15 it states:

> Direct threats, however, whether oral or written, made to a Member on account of his or her actual or intended parliamentary conduct, is a contempt of Parliament.

The intimidation was done in two forms: one directly by threatening me to change my voting record, and indirectly it was done by publishing my name in pamphlets that were distributed to other Members.

Mr. Speaker, you are the embodiment of the spirit of parliamentary reform as exemplified by the McGrath Report, because you are the first Speaker of the House of Commons who was elected by Members of this House in a secret ballot, so as to be the servant of this House and its Members, but not to serve the Government or the governing Party of the day. You have the mandate to protect the spirit of parliamentary reform.

I would like to point out that the Prime Minister (Mr. Mulroney), who is also the Hon. Member for Charlevoix, after the McGrath Report was released said that one of the accomplishments he and his Government would be remembered for, and maybe the only accomplishment, would be parliamentary reform. So he certainly believed in this parliamentary reform and was very supportive of the recommendations of the Special Committee on the Reform of the House of Commons presided over by the

Hon. James McGrath. I would like to quote this report, chapter 2. It is the confidence convention which is re-examined, particularly page 9 that deals with attitudinal change:

> Free votes have customarily been allowed on such matters of conscience as capital punishment, but our proposal extends and goes beyond that principle. Implementing this practice would call for a change in attitude on the part of governments.
>
> It would also call for a change of attitude on the part of opposition Parties, which would cease to be able to extract the maximum political advantage from defeat of government measures. They also would need to reciprocate by relaxing discipline of their own supporters.
>
> But if neither government nor opposition Parties could be persuaded to change their attitudes, it would still be open to Private Members to take the initiative by changing theirs. Once elected, Members of Parliament are legally and constitutionally entitled to act independently.

On line 24 the report continues:

> Rigid discipline is hardly compatible with the philosophy of a democratic political party, and reasonable latitude consistent with loyalty to the Party should be permitted the individual members of any Party.

I would like to quote again from page 10 on the positive effect of dissent:

> The expression of dissent can have positive effects for both the institution of Parliament and its Members. It may have a direct and sometimes observable impact on public policy. As a result of defeated measures, the threat of defeat, or simple dissent not entailing defeat, governments might modify or withdraw certain measures. This opens the way for the House to become more vital and significant in influencing policy than it has been for a long time and a more accurate reflection of Canadian opinion. Private Members should take the lead in impressing this on the leadership of their respective Parties.
>
> One Member taking an independent stand might end up paying a heavy political price, but a sizeable body of Members following the same line could not be ignored. Private Members could exert their own pressures, even cross-Party pressures, but this kind of initiative would require new procedures and new attitudes—Ideally, we would like to see a change of attitude on all sides.

Those quotes, Mr. Speaker, are made in the spirit of putting you in a position to understand why I raise this serious question on a point of privilege.

In that spirit of parliamentary reform, I have served my constituents in the Thirty-third Parliament. As Vice-Chairman of the Official Languages Committee I voted in the House against Bill C-72, because I felt that it discriminated against unilingual Canadians, and I brought in some amendments to protect unilingual Canadians from being discriminated against.

As a member of the Standing Committee of Justice and the Solicitor General, I voted on many occasions with the opposition Parties, when I felt that it was in the interest of improving a given Bill. When the Meech Lake Accord came before the House, I voted for the amendments and recorded my final vote as an abstention.

• (1510)

On Bill C-71, the War Criminals Act, I did not give unanimous consent because I wanted this Bill to go to committee and be studied clause by clause instead of being rushed through Parliament without being debated properly.

During the election campaign of November, 1988, I made a commitment to my constituents that I would continue to represent them in the spirit of parliamentary reform. I made it clear to the electorate of Calgary Northeast in my literature and at the door that I will oppose any tax reform that will be done on the backs of small business and the consumer.

Some Hon. Members: Hear, hear!

Mr. Kindy: My voting record is indicative of the fact that I believe in parliamentary reform and the independence of a Member of Parliament to be able to represent the views of his constituents, in my case the constituents of Calgary Northeast.

Nothing I have done violates the law or the spirit of the Constitution in our parliamentary system. I have exercised my rights as a freely elected Member. I have spoken and voted according to my conscience in my honest judgment. I have acted within the spirit of parliamentary reform, whole-heartedly supported, as he gave us reason to believe, by the Prime Minister (Mr. Mulroney). As a consequence I have been subjected to improper pressure in an attempt to force me to be a good boy—

Some Hon. Members: Oh, oh!

Mr. Kindy: —in other words, to perform my parliamentary duties as a puppet instead of as a representative of the people who elected me. I believe this to be a serious infringement of my rights as a Member.

I hereby submit supporting evidence to the table.

Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Mr. Speaker: Order, please. I think I should say to Hon. Members that the Hon. Member for Calgary Northeast (Mr. Kindy) has raised a matter which is obviously of great concern to him. He is rising on a question of privilege. I think that probably in this case it would be appropriate if Hon. Members allowed others to intervene and give them the courtesies that ought to be extended in a matter of this importance.

The Hon. Member for Calgary West.

Some Hon. Members: Oh, oh!

Some Hon. Members: Boo!

Some Hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is particularly encouraging to have the Whip of the Official Opposition join in the applause.

It is a very unique experience for members of any Party to be asked to take on the appointment of Party Whip on behalf of one's colleagues in the finest of British parliamentary tradition. This is a role which arose a long time ago on the basis of a perceived need in parliamentarians who have long passed on. It has continued over the ages and continues around the world because there is a role and there is a place.

I think that the role and the place begins on behalf of the institution of Parliament. It is the institution of Parliament which protects us all in a society and protects our democratic traditions and tries to make sure that a Parliament functions as well as it can at any particular time in any particular place on behalf of the citizens of a country.

I have listened with great care to the Hon. Member for Calgary Northeast (Mr. Kindy). Mr. Speaker, when you examine the rules and the precedents you might indeed find that the Hon. Member has a grievance. I think it will be difficult for Your Honour to find that this is indeed a question of privilege.

One of the fundamental traditions of parliamentary procedure and really the basis of privilege is open and free access. When one is chosen by one's electors, one has open and free access to this Chamber and to the proceedings of this Chamber as expressed in committees. We all know and understand that every one of us has the right to attend all committee meetings which take place in the name of Parliament. We all have that right.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Membership on a committee is controlled in our Parliament by a Striking Committee with members from all Parties represented on that Striking Committee. It is a responsibility of us all. There are seven of us in this Chamber who serve on the Striking Committee. I have the honour to serve as the chairman of the Striking Committee. That was determined by a free and open vote of the committee members. I appreciate their trust in me as a member of the Striking Committee and as its chairman.

Our job in the Striking Committee is to put forward for consideration by all of us, members of all three Parties, names of people to serve as members on standing committees. Indeed, under parliamentary reform that membership is of a different order than it was prior to parliamentary reform. I take great pride in serving in the Party which brought about parliamentary reform.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Membership today in a standing committee, for those Members who are new to the Chamber, is very different from what it was before. The membership belongs to the Member. Once a year there is an occasion, just after Labour Day, for the Striking Committee to meet to change committee memberships. In between the membership belongs to the Member who was appointed by this House to the committee. This House concurred unanimously in our recent report which set up the membership that now prevails in our standing committees.

The potential for public scrutiny of those assignments is of that order. That is what parliamentary reform said it should be. It said that it should be a striking committee. It said that the report should be public and in the hands of all Members of this Chamber. The Members, all of us, had to concur in that report to set up these committees. There was not a voice raised in dissent, including the voice of the Hon. Member for Calgary Northeast.

What are those new responsibilities? Because the membership resides in the Members, we have an obligation in our Standing Orders for the Member to put forward to the Clerk a list of personal substitutes. Failure to put forward that list automatically ends the membership on the committee. That is because the seat belongs to the Member and the Member has to put forward substitutes.

Would any of us in this Chamber want to put forward names of Members who would not accept the obligation of providing their substitute lists, of contacting those substitutes so that they can substitute on occasions when they are absent? The lists are created to represent regional interests, to represent Party interests, and to ensure that standing committees have a screening mechanism on behalf of all of us to examine the very serious issues which face us. Attendance, previous record of attendance and conversations about future attendance are central to the obligation that goes with committee membership. There is a responsibility. We on the Striking Committee have a responsibility to put forward no names for any committees of this Chamber when a Member indicates to us that he is not willing to accept the responsibility of membership which relates to attendance and the substitutes when the Member will not be present.

Some Hon. Members: Hear, hear!

Mr. Hawkes: It is not my habit or my pattern—and I feel somewhat ill at ease standing in this Chamber today—to make my conversation with Members public in any way, shape or form. I say that because I have many conversations with many Members. However, I cannot let go unchallenged the assertion that it is necessary to be in my good graces. That is simply false. I serve on behalf of this caucus in the position of Whip. I serve on behalf of all Members in this caucus to do what is best for this Parliament and for the people of the country.

• (1520)

As long as I hold this office, it will not be necessary for me to like a member of my caucus, to enjoy their company, to be a friend, but it will be my responsibility to make sure that my suggestions are put forward in good faith in the belief that the Member will fulfil the obligations that go with membership on a committee or any other role. I would like to make it clear that I have published no list. What happens inside my caucus with my caucus members in the finest tradition of this place is secret. It is confidential to the members of my caucus, and I will not talk about the existence of a published list because I have published personally no list—

An Hon. Member: Hear, hear!

Mr. Hawkes: —anywhere, anytime. I have shared information in the best form possible with members of my caucus on many issues, and I will continue to do so in the belief that all members of my caucus have an obligation to keep it secret and will indeed keep it secret.

Some Hon. Members: Hear, hear!

Mr. Hawkes: To fail to do that is to give in to threats. There lies the denial of the privileges of all of us when one or more people in our society, in this Chamber or outside of this Chamber, threatens any of us in any way possible that would interfere with our capacity to do this job. Stealing in secret in a caucus, and a failure to hold to that principle, is the real threat to the continuance of this Chamber and to our processes that have grown over so many years. Secrecy in caucus must be preserved.

There are many members of this House in all three Parties who have a well-deserved reputation for independent thought and independent action. In most cases, it is well vetted independent thought and independent action. I challenge any Member of this Parliament to conclude that anybody in our caucus has denied access to committee membership or anything else on the basis of past behaviour and being outspoken. We simply have to look at the chairman of the Finance Committee. That proposal came out of the striking committee.

We have other members who took a different conclusion and acted in a different way than I did when the last Parliament faced Bill C-72. If you look around, they have roles, they have responsibilities and they have memberships in this Parliament on the committees. As long as I am Whip for the Party, it is the responsibility, the willingness to be responsible, to do a job that counts, and that is all that will ever count. If that is a barrier of some kind, if that is an infringement on a Member's privileges, then it is not the Parliament and not the place I thought it was.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gauthier: Mr. Speaker, I listened carefully to what was said by the Hon. Member for Calgary Northeast (Mr. Kindy) and the Government Whip.

I indicated my support for the Whip, and I think we should understand it is not necessarily the easiest position in the world for a Member of this House. He must not only have the confidence of his Leader but also gain the confidence and support of his fellow Members.

I do not believe there are grounds for a question of privilege, Mr. Speaker, but there are certainly grounds for a serious grievance. I must say that we try to deal with our problems in the privacy of caucus, and I think that is where this problem should be dealt with. Perhaps the Conservative Caucus should settle their own problems, but I will be interested to hear your ruling on the question of privilege.

[*English*]

Mr. Murphy: This does not represent all-Party agreement, Mr. Speaker, but there is a tradition in this House that the Whips are also officers of the House. I believe that if a Member wants to get up and complain about what happens in his caucus, that is properly a procedure of the caucus. It is something that should be done in the Conservative caucus or within the Liberal caucus or within the New Democratic Party caucus.

Mr. Rodriguez: This does not happen in the Liberal caucus, does it?

Mr. Murphy: Actually my good friend from Nickel Belt who ran against me for Whip at one time—

Mr. Rodriguez: I would have made a better one.

Mr. Speaker: It seems to me that I have more than one dispute to settle.

Mr. Murphy: Well, we certainly are not going to kiss and make up, but I can tell you that the Member for Nickel Belt (Mr. Rodriguez) has been a very constructive and supportive member of our caucus. On the question with regard to the Liberals, I remember before we had parliamentary reform that the Whip of the Liberal Party lost his position as the chair of a committee because he would not go along with the Government of the day.

It is very important that all Members have access to committees, all Members can go to committee as the Conservative Whip indicated. It gives a Member a chance to talk to witnesses. It gives a Member a chance to speak at the various committee meetings. But it is a fact that not all members of a caucus will be a member of a standing committee. One-third of our caucus does not have regular membership on standing committees, but all of them have the opportunity to be alternates for the committees that they wish to serve on.

Mr. Speaker: I want to thank Hon. Members. I have listened with great interest, and I will consider the position and report back to the House as soon as possible. I have another question of privilege. The Hon. Member for Winnipeg Transcona (Mr. Blaikie).

CHERNOBYL NUCLEAR ACCIDENT—REQUESTS FOR INFORMATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise on a point of privilege arising from answers given to me by the Minister of Energy, the Hon. Member for Provencher (Mr. Epp) in his former capacity as Minister of Health and Welfare. It is appropriate that I rise today because tomorrow will be the third anniversary of the horrendous nuclear accident at Chernobyl in Ukraine. My point of privilege arises out of answers given to me by the Hon. Minister in this place.

Mr. Clark (Yellowhead): When were those questions asked?

Mr. Blaikie: You wait for it.

Mr. Clark (Yellowhead): Three years ago?

Mr. Blaikie: In the aftermath of the Chernobyl explosion and fire, many Canadians were justifiably concerned about possible health effects that the fall-out may have had on them. I, as the NDP Environment critic at the time, asked the Hon. Member about what the Canadian Government was doing to measure the fall-out and what was being found. The Hon. Minister was consistently adamant that he was being forthcoming with all information that he had at the time, and that he was not holding anything back. In a response to a question that I put to him on April 27, 1987, a full year after the accident, the Hon. Minister told me, and I quote from page 5234 of *Hansard*:

> I am not witholding any information which has come to me or that I know is within the Department.

Prior to that on December 11, 1986, the Hon. Minister tabled in the House a document entitled the impact of the Chernobyl nuclear accident in Canada. This was done in response to demands that I had made for more information. But this document did not contain any of the detailed information I and other Canadians were looking for; specifically what sorts of isotopes were being looked for in the fall-out, what had been discovered, where they had been discovered and in what quantities. I raised my dissatisfaction with the Hon. Minister in an adjournment debate on March 12, 1987. At that time he told me, again I quote from page 4135 of *Hansard*:

> I wish to convey very directly that there is nothing that we are hiding in terms of information. As I have previously stated, if there is additional information that can be made available, I will make that available.

I have discovered that there was in fact additional information available. It was within the Minister's Department. *The Health Physics Journal* received a study conducted by two Health and Welfare scientists called "transfer to milk of iodine 131 and caesium 137 released during the Chernobyl reactor accident". Dated September 30, 1986, it details a search for iodine and caesium in the air, precipitation, grass, and a dairy herd in the Ottawa area. This study has the level of precision and accuracy that I had been searching for and asking the Minister for, and that had not been made available by the Minister. If this study was submitted by two Health and Welfare scientists—

• (1530)

Mr. Speaker: The Hon. Member is making a case which is based on the fact that, as a consequence of questions put by him and answers made by the former Minister, certain information was given to him and was given to him, as I understand it, with an assurance at that time by the then Minister that all information available was being made available to the Hon. Member.

The Hon. Member now says that he has found out that there was some other information. That is not something that comes to the Speaker as any great surprise in this place. I am having difficulty in seeing just how the Hon. Member can say that this is a matter of privilege. It certainly is a matter which ought very properly to be raised in Question Period, in the "Late Show", or in some other way. But it is difficult for the Chair to see that it is a question of privilege.

There may be a perfectly logical explanation for the fact that more information has come to light or that information was there that the Minister did not know about, but I have difficulty, under these circumstances, in seeing how it is a question of privilege. The Member has been very careful not to allege that the Hon. Minister in any intentional way misled him or the House. I note that.

I will hear the Hon. Member but I want him to take into account my concern as to where the argument is going.

Mr. Blaikie: Mr. Speaker, perhaps I was being too methodical for my own good. That is precisely what I want to allege, that we were being misled. That is the case I was building.

It is not much longer, but that is the case I intend to make.

Mr. Speaker: I think the Chair had better know what the charge is. A charge of deliberate misleading is a very serious one indeed. The Hon. Member might look very carefully at the letter he properly sent to me. He said: "I was misled", and that may be, but for the Hon. Member to say now that the Hon. Minister deliberately misled him, that is indeed a very serious charge. I am sure the Hon. Member would want to consider very carefully whether he wishes to proceed in that way.

He may in fact have been misled. There is a big difference between being misled and being deliberately misled, because deliberately misled means the Hon. Minister has been acting with dishonest motive. That is a very serious accusation.

Mr. Blaikie: Mr. Speaker, I intended to make the case as to why we were misled. I notified the Hon. Member for Provencher (Mr. Epp), who is here, and if I were able to complete my argument and the Hon. Member for Provencher was able to get up and say that he did not know of these studies, then I would not be in any position to accuse him of deliberately misleading the House.

I have not made that accusation, as you noted, but I think, with respect to this issue, I asked the Minister numerous times whether this was all the information that was available. It was not as if this was a one-shot affair. This went on for over a year, in which I tried to get from the Minister certain information with respect to isotopes that may have been detected not only from Chernobyl but from the "Mighty Oak" test at Nevada.

I would have proceeded to say that the Minister said they had detected no fall-out from the "Mighty Oak" test when, in fact, at the same time the Minister was telling me that, there was a study in the hands of his own Department which has since come to my attention which said there was fall-out detected from the "Mighty Oak" test.

If there is not a question of privilege, I want to know what was going on. Why was the Minister giving me answers that were patently false? He was either deliberately misleading the House or he did not know what he was talking about. When it comes to something like that,

he should have known what he was talking about. I would like to be able to make the case, cite the studies, and table them. I have them here if you will permit me to do so.

Mr. Speaker: The Hon. Member is a veteran Member of this place and certainly is highly respected by all his colleagues. I will certainly accept the material he has. I have no quarrel with what the Hon. Member has said so far, as his recitation of the facts go.

I will hear the Hon. Minister, but I think perhaps it might be helpful to me if the Hon. Member did file with me the background material, which I will look at. I think he has made his point. I have his point.

I must also say that I accept, with some gratitude, the fact that the Hon. Member has not strayed too far in making an allegation at this time. I also respect the fact that the Hon. Member has indicated that he would be prepared to listen to what the Hon. Minister has to say. The Hon. Member may complete his remarks and file the material.

Mr. Blaikie: Mr. Speaker, I will file these studies with the Chair. But I also ask if I could not be permitted to tell the story as I see it so the Minister would be responding to the whole story instead of trying to respond to things I have not said yet.

Mr. Speaker: I might say to the Hon. Member that the difficulty facing the Chair is that this is getting way beyond raising a question of privilege. This is getting into extensive debate. I really feel it is leaving argument and getting into debate.

I would seek the Hon. Member's co–operation. I have his point. If I need some more help I will come back to the Hon. Member. I would like to hear the Minister.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I will be very brief. I thank you for your indulgence in letting me reply to the point made by the Member for Winnipeg—Transcona (Mr. Blaikie), even though it falls in a capacity that I once held and I do not now hold in the House.

Mr. Speaker: I should make clear to Hon. Members and the public why the Minister, who is no longer in the portfolio he was at the time of the alleged incidents, is responding. This is a question of privilege and the Hon. Minister, of course, has every right to come into the House and respond to the question of privilege that is raised.

Just so that everyone fully understand this, the Hon. Member for Winnipeg—Transcona would not be able in Question Period to put questions to the Minister because the Minister now holds a different portfolio. The Hon. Member for Winnipeg—Transcona fully understands that, but I want Members and the public to understand that.

Mr. Epp: Thank you for making that explanation for me, Mr. Speaker.

I received notification from the Member for Winnipeg—Transcona (Mr. Blaikie), when I came into the House today at approximately 2.10 p.m. that: "I will be raising a point of privilege concerning answers you gave me on Chernobyl". He signed the note.

I can only make one or two points. Shortly after the Chernobyl incident took place I was obligated to go to Geneva to the World Health Conference. I told my officials that I intended to make everything public that we had in respect of the Chernobyl incident.

The reason I raised the Geneva situation is that even from Geneva, where I was for three nights, I believe, I reported to the national press here in Ottawa on any details that I was picking up in Geneva. That was obviously an issue at the World Health Organization in Geneva at the time, events just having happened shortly prior to the convening of the annual meeting of the WHO. As well, I was getting information from Canada with respect to my Department.

• (1540)

The Hon. Member is correct. When I returned, he and I had a number of exchanges, both inside the House and outside the House, about information relating to the effect of Chernobyl on Canada, principally Canada's North and its effect on the food chain in the North relating to the absorption of radioactive materials through lichen, eventually to the caribou and then humans.

Additionally, there was a very close monitoring by the radiation unit of the Department of National Health and Welfare of any other radiation that might be occurring in other parts of Canada. There were geographic divisions of Canada relating to the type of fallout that might be possible, and we were monitoring that on a constant basis. I was receiving a 24–hour report, and if anything untoward was happening, I would receive a report more frequently than that.

I said repeatedly to my officials at the Department of National Health and Welfare that the way I was going to handle the Chernobyl incident was to make available to the public, either through the House or through press conferences, every scintilla of information that came to hand in the belief that if information was given to Canadians, they could then make informed decisions. The Government would not use any governmental privilege to hold back any material.

All I can say as a Member of the House is that those were my instructions. To my recollection, everything that came to hand I made public. If there were other studies that have become public or have been drawn to the Hon. Member's notice, I was not aware of them, and that is where I stand as a Member of this House.

Mr. Speaker: First, I thank the Hon. Minister of Justice (Mr. Lewis), but I do not think I need to hear further argument.

I am not taking the situation lightly. I do not think anyone in the Chamber is. It is a matter of very grave concern to all of us. The Hon. Member for Winnipeg—Transcona has come before the House on a question of privilege and he has raised what he certainly deems to be a grievance. I have to find that it is not a question of privilege but that it is very much a situation which the Hon. Member for Winnipeg—Transcona may properly be able, if he wishes, to pursue further in another way.

The Hon. Member for Winnipeg—Transcona has been very careful, and I have thanked him for that, not to make a charge against the Minister in his former capacity as having deliberately misled. It may well be that given the facts that have been related by the Hon. Member for Winnipeg—Transcona, someone should have been a lot more careful in providing information that the Hon. Member was looking for. I have to accept, of course, the word of the Minister, which is the tradition in this place. That does not mean that someone somewhere might not have been a lot more careful than he or she may well have been, but I will invite the Hon. Member to pursue the matter in another place. He is extremely diligent in doing so and I know he will probably assist us all in finding the answer.

It is not a question of privilege. It certainly is a grievance and the Chair can understand it. I want to thank the Hon. Member for Winnipeg—Transcona for courteously accepting several of my interventions. I know it is not always easy, when one is making an argument, to have the Speaker interject, and I appreciate the Hon. Member's courtesy. I think the matter is closed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed consideration of the Motion of Mr. Mulroney that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and on the amendment of Mr. Langdon (p.724).

The Acting Speaker (Mrs. Champagne): When the House rose at one o'clock, the Hon. Member for Okanagan—Similkameen—Merritt (Mr. Whittaker) had just completed his presentation. We will resume debate with the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde).

[*Translation*]

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Madam Speaker, I welcome this opportunity today to draw the attention of Hon. Members to one of the most ambitious projects of the Government of Canada, the national policy on entrepreneurship. It is ambitious because it required a series of consultations that were almost unprecedented in this country.

We are not talking about a policy designed to camouflage reality and with practically no long-term benefits. It is not an opportunity for politicians to enhance their public image and dazzle the public with a shower of millions of dollars in grants.

There is quite a difference, Madam Speaker, between the usual financial assistance given by the Government to sectors where such assistance can be justified and adopting a genuine policy with guidelines that may influence the course of events for years to come.

In this particular case, I defy anyone to say that this is an exercise in deceit. The national entrepreneurship policy is the result of intense consultation for more than two years with every possible party with a concern in this area, all of whom were able to make their priorities known to federal officials.

We systematically reviewed all our small business assistance programs to determine their relevance and to make any changes suggested by those on the receiving end. The decision to carry out this review was not made on the spur of the moment. We felt that the sweeping changes taking place in our economic and social climate made it incumbent upon us to get involved. There is so much going on in this world of ours that we cannot afford to leave Canada's small business people to their own devices, and we must not forget, Madam Speaker, that the Government appreciates the decisive role played by small businesses across this country. Small businesses are the principal generators of employment, and they are started by people with a great sense of innovation and drive, the real go-getters.

Experience has shown time and time again that small businesses have the peculiar ability to adapt quickly to change. The reason is that in small businesses, the decision-making process is often simplified. Small businesses learned years ago to adjust to changing circumstances and to get their share of the pie through sheer tenacity. Small businesses may be well managed and well motivated, however, but that does not make them any less vulnerable when confronted with the tremendous technological upheaval that has taken place during the last decade and is expected to accelerate as we near the year 2000.

Madam Speaker, we not only have a duty to preserve existing small businesses, we must prepare for the next generation, since the Canadian economy is largely dependent on this type of enterprise.

Entrepreneurship is a dynamic mechanism that makes it possible for companies to renew themselves. It is not the prerogative of a small group. In fact, it should be possible for every business.

Aware of changing circumstances that demanded new solutions, the Government decided to make entrepreneurship one of the linch-pins of the Department of Industry, Science and Technology.

• (1550)

I wish to recall this policy statement here, because from it flow all the measures taken by us and by our partners to enable small businesses to grow and to create a vast pool of entrepreneurs.

The policy of the federal Government thus involves mobilizing entrepreneurship for the purposes of the economic, social and cultural development of all regions of the country, with the participation of the private sector, provincial and territorial governments and the academic community.

This definition well summarizes the Government's deep and irreversible commitment to those who contribute day after day to building a strong Canadian economy.

The Government takes seriously the hopes, concerns and plans of Canada's entrepreneurs and the purpose of the new policy we have adopted is therefore to promote and encourage entrepreneurship while eliminating obstacles to the creation of businesses.

Among other things, this means that we wish to sensitize all kinds of potential entrepreneurs and not only those who were called "family heads" in the past. The target group of potential entrepreneurs has grown considerably in recent years.

I do not have to stress, Madam Speaker, the most spectacular rise of women in the business world. Examples of successful women have become so numerous and commonplace that very few people now pay much attention to it, except perhaps in some professions traditionally considered male bastions.

We have other target groups that previous Governments did not always deal with properly. For example, I want to talk about the young people who aspire very early to economic independence, native people, seniors, the elderly and new Canadians.

If our social climate provides enough encouragement to entrepreneurship, we will see a flowering of "entrepreneurial culture".

We have agreed to adopt many initiatives. I shall mention only a few, Madam Speaker.

First, the creation of a national entrepreneurship development institute is one of our top priorities. This institute will be a focal point for research, information and creative ideas on entrepreneurship. All those interested will have easy access to it, whether they are in business or teaching.

The national institute that we will establish is not meant to take the place of the educational programs offered throughout the country. Its role will rather be complementary; it will expand on and modernize the very concept of entrepreneurship and make it more attractive.

Unlike the United States, very few Canadian educational institutions emphasize the entrepreneurial spirit. As a result, students attach little importance to self-employment and business creation in choosing their career.

It is not surprising that in such a context, Madam Speaker, many professions are subject to strict quotas and it is increasingly difficult for students to have a university education in many so-called classical disciplines.

We must therefore keep a critical eye on all obstacles to entrepreneurship and consider fiscal measures to stimulate the entrepreneurial spirit. Among the obstacles most often mentioned is the flood of federal paperwork that has caused many nightmares for small corporations that have neither the time nor the resources to handle it. Too much paperwork is also damaging to the perception of the Government too many people still have, namely that governments hurt more often than help those who call upon them.

In this regard, the federal Government adopted a plan of action in May 1987 to reduce paperwork, resulting in the creation of an advisory committee on the subject. Through that committee, small businesses can propose ways to gradually reduce forms, statistical research and other forms of red tape.

Parliament will now receive an annual report on the status of small business in Canada, which will give all those concerned the information they need to take stock and plan for their future.

The Government also favors promoting regional development by emphasizing regional decision making so that small businesses will have more say in the matter and be able to influence the development of programs affecting them.

We also have the firm intention of promoting entrepreneurship in the public opinion, which is one way to reach non-traditional groups of entrepreneurs I talked about earlier.

Madam Speaker, with advertising campaigns and the establishment of prestigious forums to spread our message, we will show Canadians the benefits of owning a business.

Certainly, the Department of Industry, Science and Technology will continue to give its Canada Awards for Business Excellence, which bring to the general public's attention the exceptional accomplishments of big and small entrepreneurs. We have noticed that these awards are increasingly coveted, and the growing number of competing companies confirms their validity.

With respect to another issue, I would be remiss if I did not stress that a new national entrepreneurship policy would never have seen the light of day had it not been for the favourable federal-provincial climate of co-operation. As it happens, the various levels of government meet regularly and, generally speaking, their exchanges take place harmoniously, a far cry from the pre-1984 power struggles. There can be no doubt that the stabilization of relations with our partners is the major factor behind the implementation—in relatively short time—of a multi-faceted entrepreneurship policy.

Madam Speaker, I would remind you that thanks to a program developed with the co-operation of Supply and Services Canada, small businesses can more easily bid on public contracts. In addition, the program designed to promote sub-contracting makes allowance for the establishment of new positions for small business ombudsmen within the Supply and Services Canada purchasing system.

In my estimation this goes to show that the Government of Canada did not limit the scope of its entrepreneurship policy to the department directly involved. On the contrary, we step in whenever we can foster the spirit of entrepreneurship, even at the risk of playing havoc with certain programs sponsored by other departments.

And so it will be at every stage of implementation of the entrepreneuship policy. The active participation of all kinds of agencies will become ever more necessary, and they will co-operate even more closely regardless of the progress which may or may not have been accomplished thus far. The innovation spirit of our policy will enable us to extend throughout the country the scope of successful endeavours adapted to other levels.

Such is the case, among others, of the Canada investment opportunity network which proved to be quite effective in Ontario and which is being extended to the rest of the country.

Operated with the participation of various chambers of commerce, it brings together people who have challenging ideas and others who are looking for promising investment opportunities. Combining new ideas and capital investment will give renewed vigour to the creation of new businesses, and that can only benefit all Canadians.

I must simply say a few words about the small business and entrepreneurship office whose mission is to support the Minister of State for Small Businesses and Tourism (Mr. Hockin) in Cabinet. The office is responsible for formulating and evaluating policies that are relevant to small business and to national programs for this sector.

• (1600)

Here we have an agency with very concrete terms of reference, since it has the authority to order studies, to carry out analyses and to make recommendations for scrutiny by the Minister or Cabinet. The entrepreneurship and small business office embodies and consolidates the Government's principal instruments for supporting small businesses.

Madam Speaker, some Hon. Members may still wonder why we are putting so much energy into defending and promoting small businesses. My answer is that 98.8 per cent of Canadian businesses are small businesses. If we don't take care of them, we are headed for an economic impasse.

The term small business designates companies that employ fewer than 100 employees in the manufacturing sector and fewer than 50 in the services sector. The total number of small businesses across the country is 812,000, while the total number of companies registered in Canada is 822,000.

They are found in all industrial sectors, and in fact they are the majority. In the primary industries, small businesses represent 99.9 per cent of all companies: transportation, communications, mining and manufacturing, construction, finance, and so forth, and it is accurate to say that small businesses still represent over 98 per cent of the total number of companies.

In the past we have often said, with the figures to prove it, that small businesses were the best job creators.

However, small business' contribution to research and development is often overlooked. Our studies in this respect prove there is no doubt about that. The percentage of spending on research and development is higher among businesses with fewer than 50 employees. In fact, we found that the smaller the enterprise, the greater the relative share spent on research and development.

We concluded that because of their energy and drive, small businesses were far better able than we expected to adapt to technological change.

This is good news for free trade, whose initial consequence will be to stimulate the growth of small businesses eager to enter the North American market. This means that our exportable small businesses will have to follow the technological change that will prevail in the United States, especially in the so-called vulnerable sectors.

The Government is not overly concerned by that indirect effect of free trade, because our small businesses have shown long ago that they can adjust faster than big companies to market fluctuations and technological changes.

Certainly, Madam Speaker, our small businesses will have to change, by specializing and offering unique services, for example. They must also improve productivity and aim for excellence at all times.

As we said before, the Free Trade Agreement is not a seven-headed ogre waiting to devour the weakest in the coming months. Custom duties are being eliminated over a ten-year period and protective mechanisms have been put in place so that less competitive sectors will have time to adjust to the new trade environment.

In addition, the Department of Industry, Science and Technology will propose new programs to give small business better access to new technologies. They will therefore have time to improve their productivity and competitiveness as free trade is being gradually implemented.

Madam Speaker, Canadians have been informed, I am sure, of the main recommandations made by the Adjustment Committee in what the media dubbed the "de Grandpré Report".

It is not my responsibility to elaborate on its detailed contents but I want to bring to your attention the excellent grade the commissioners gave the Canadian Government for its series of measures already in place to make adjustment easier.

In fact, there are more than 400 programs to help employers and employees flexibly join a labour market where technological change is an everyday reality. Many of these training and adjustment programs are sponsored by Employment and Immigration Canada. Madam Speaker, it is not an exaggeration to say that the Government correctly foresaw the major world trends that would affect our country's labour force.

Since 1984, "adjustment" is part of the vocabulary of our elected officials and has guided their most important policies. In large part, this explains why the de Grandpré Report did not recommend a thorough overhaul of our programs.

One minute more, Madam Speaker, and I am through. The Government foresaw the arrival of a one-way technological wave. We had to follow along because the survival of the Canadian economy depended on it. Gradually, we made some changes like reforming the Department of Regional Economic Expansion to be in step with the new world economic realities.

Today, Madam Speaker, we have resources and policies that let us look ahead with optimism. Everything is already in place. We just hope that all Canadians, men and women, will follow along and support us in reaching our economic destiny which is so promising.

Mr. Harb: Madam Speaker, first, I would like to congratulate the Hon. Member for his speech. He is certainly aware of what is happening in this field. He is certainly very interested in this subject.

I have in my hand a report published by the Canadian Chamber of Commerce which contains several recommendations that a task force made for industries and to inform politicians on the federal level.

[*English*]

I will just quote a couple of paragraphs from this report. First, it talks about bureaucratic objectives rather than market impulses which have prevailed in Canadian science and technology policy. Further it reads:

> Without a private sector agenda and forum for discussion, the government programs that have emerged do not necessarily stimulate entrepreneurial initiative. In most cases they provide funds for technology development and innovation—

It goes on to the point where the task force suggests the following:

> It is the opinion of the task force that despite the proliferation of activities during the past year in the area of technology policy, business has lost ground in defining the agenda.

The Government has done quite a bit over past few years in setting up the National Advisory Board on Science and Technology, chaired by the Prime Minister (Mr. Mulroney); in setting up InovAction—the Canadian Strategy for Science and Technology; in setting up the federal-provincial science and technology subagreements; in setting up the industry led advisory boards which were established by the National Research Council and so on; and in setting up the Standing Committee on Research, Science and Technology.

Those are all very commendable initiatives. Unfortunately, in the area of research and development, when we compare Canada with the rest of the industrialized world, we are falling way behind with the amount of financial support from the private sector and the number of scientists per million that we have.

While industry over and over again, both in the private and in the public sector, is suggesting that rather than throwing money at the problem the role of the Government should be to provide tax incentives and to act as a facilitator to the industry. Therefore, it is entrusted in seeing more focus on the area of development rather than on pure science and research. Pure science does not lead to anything unless it is put into application.

• (1610)

Does the Hon. Member see the Government moving in the right direction in putting more funds into setting up an agency, or does he see it working better with the private sector, and also the other partners in the provinces?

[*Translation*]

Mr. Plourde: Madam Speaker, as the Hon. Member for Ottawa—Centre (Mr. Harb) just said, I think my speech more or less reflects the 28 years I spent in the private sector and in manufacturing. When we consider an issue as general as basic research or technology, we must consider what part of the country we are talking about. We know for instance that Ontario, the province where the Hon. Member's riding is located, receives the lion's share of federal funding for research and development. Our counterparts in Québec have complained that the federal Government does not invest enough money in research and development, and I must say, Madam Speaker, that I am enclined to believe what the Government of Québec has told us in this respect. These are things that might be changed in the weeks to come.

I also wanted to say that I am from a riding Kamouraska—Rivière-du-Loup that qualifies as a remote area. We have no businesses with 2,000, 3,000 or 4,000 employees in Eastern Québec. We have small businesses. As a person who has been exposed to and has promoted this kind of business in the past, I can say that research and development was done by the businesses themselves.

I have nothing against what they teach in universities. In the speeches I heard this morning, there was great emphasis on putting a lot of money into the universities for research and development. I agree, but money should also go to industry.

In concluding, Madam Speaker, I would like to give you an example. In 1984, when I was the elected representative for Kamouraska—Rivière-du-Loup, I decided we should do something about the peat lands. As you know, the area is very rich in peat. Before, people used to bag peat moss and export it to the United States for use in horticulture. However, since 1984, we now have a peat research centre that belongs to Tourbière Premier and is going to expand within the next few months. We also have a research centre that was developed at the Rivière-du-Loup Cégep, also for peat. Since 1984, Rivière-du-Loup no longer has any doubts about the peat market, because through the research and development done with industry and with the help of the public sector and the Cégep we have no universities in our area we managed to develop a market that has now become quite substantial.

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Nepean (Mrs. Gaffney).

Mrs. Beryl Gaffney (Nepean): It gives me a great deal of pleasure to address the House this afternoon on Bill C-3. In the Government's repeal of the Department of Regional and Industrial Expansion Act, the federal Government's creation of the Department of Industry, Science and Technology may appear to be constructive enough. Its aims, some of which include the development, implementation and promotion of national policies to foster international competitiveness of industry, enhancement of industrial, scientific and technological development and so on, as outlined in Part I of Bill C-3, might also appear to be attractive.

The object is obviously an attempt to elevate science to full department status. The question remains as to whether the Government's restructuring is merely cosmetic. Staff morale continues to be low, and at the committee level there is not much hope for any positive change in the Government's commitment to science and technology.

The Government's track record in the area of science and technology, and research and development has been for the past four years, to say the least, dismal.

Let us look at the Government's actual performance in this area. Research and development is the essential impetus for technological development, the foundation of today's high technology companies. As the high tech capital of Canada, therefore research and development is particularly important to my Nepean riding which represents more than 100 high tech companies. Nepean is the home of Canada's largest research and development organization, Bell Northern Research.

This company has pioneered fully digital telecommunications technology, and employs 4,200 people locally. Northern Telecom, also in Nepean, of which BNR is a subsidiary, is Canada's largest telecommunication equipment supplier, specializing in voice and data communications, and employs 1,400 people locally. CDC, Computing Devices of Canada, employs 1,300 people in Nepean. They produce advanced electronic systems for military and commercial use world-wide. Gandalf, which specializes in information networking systems such as modems, multiplexes, data switches and large network processes, employs 650 people in Nepean. These are only four of over 100 companies working in the technological field, our largest employers that were developed in full co-operation and assistance from government, not in spite of them.

Beyond Nepean's boundaries in our sister cities are high tech companies of international status, such as the Mitel Corporation, Digital, Cognos, Lumonics and Systemhouse, just to name a few. Practically all of these companies started out in someone's garage or basement. Most were on the receiving end of research and development grants from the then Liberal federal Government. Young companies today need the same infusion of money through research and development, or start-up grants, as their counterparts did, if they are to survive in an international market. It is an international competitiveness, as the Canadian market is not sufficient to sustain the high tech industry.

Ottawa Carleton Regional Government, along with Carleton University, Ottawa University, Algonquin College and leaders in the high tech community have created an organization called the Ottawa Carleton Research Institute. The institute monitors what is happening in the high tech field. The industry works with the universities to ensure that our students are being trained in the latest technology.

On December 1, 1988, the Province of Ontario formed TRIO, the Telecommunications Research Institute of Ontario. Its new president comes from Bell Northern Research. Its role is to understand university-driven technology. Coupling the institute with industry will give businesses the opportunity to better position themselves vis-a-vis technology. However, the Government has proceeded to cut back in different areas in Environment Canada at a time when Canadians are more concerned with the environment than ever before in history. The Government has cut back on energy research, completely wiping out the energy department at the National Research Council when it should be cutting back on Canada's reliance on fossil fuels and developing environmentally cleaner energy sources.

A program also being worked on by Energy, Mines and Resources when major cut-backs happened at EMR caused the cancellation of this research. With the lessons of the softwood lumber a recent and bitter memory, and the needs of the forest industry and what the forest industry does for Canada as outlined in "Wood Leader", it is important that Canada increase the yields from its forests by increasing the effort and money put into research and development.

• (1620)

The Government has cut back at Atomic Energy of Canada Ltd. when it should be looking at the exciting opportunities presented by the recent developments in fusion technology.

The Government has cut back in every area of basic research. Those areas particularly hard hit by cuts to government point to short-term gain for long-term pain.

In addition, the Government has allowed important issues to be governed by politics rather than what is best for the industry concerned, and I might cite a few examples. The CF-18 contract was taken away from Manitoba. The space agency was moved from the National Capital Region in spite of repeated briefs from the industry that it was in the nation's best interest to locate in the nation's capital. Canada now has the exclusive role of being the only country in the world where the administering body to the space industry is located outside its capital.

The fact is that research and development has suffered badly under the present Government.

Total expenditure on research and development as a percentage of the Gross Domestic Product has decreased from an all-time high of almost 1.4 per cent during the Liberal administration four years ago to a low of 1.35 per cent during the past four years. This Government must be committed to increasing R and D expenditures to at least 2.5 per cent of the Gross Domestic Product in line with that of other major industrial nations in the world.

Canada presently ranks last among the G-7 nations. As well, research and development expenditures were roughly half those of other nations in the world.

The Government has consistently spoken the praises of R and D on the one hand while decimating Canada's effort on the other, from the well publicized cuts to the National Research Council of over $100 million to the reduction of the R and D tax credit to 75 per cent.

In my riding Northern Telecom Electronics cut 60 jobs at its Nepean plant, and several other firms have also laid off many employees.

High interest rates threaten the viability of other high-tech companies, and in terms of government investment Nepean has lost millions of dollars of research and development related activity over the past four years.

The $90 million animal virus laboratory slated for Nepean was initially cancelled and is now moved elsewhere. Government cuts to research and development tax incentives have cost companies like BNR and Gandalf millions.

In terms of the Department of Industry, Science and Technology, another warning sign to note is the fact that the 34-member National Advisory Committee on Science and Technology, chaired by the Prime Minister (Mr. Mulroney) and touted as a signal of his commitment, has not met since last summer.

The Liberal position in the area of science and technology and research and development is clear. We condemn the Government for breaking its promise to double Canada's R and D effort to 2.5 per cent of the GNP and for the measures announced since September, 1984, which are undermining R and D, long-term economic growth, and the competitiveness of Canadian business in world markets.

We condemn the Conservative approach to R and D funding in Canada as inefficient and damaging to Canadian industries, particularly to small business, which brings me back to my original point.

Is the federal Government's action in its creation of this new Department merely cosmetic? Is the Government addressing the real issue? How does the Government answer to the research and development cut-backs it has implemented? How does the Government plan to deal effectively with the issues of decentralization and regional development?

The federal Government's credibility, in its consistency on science and technology research and development policy, is at stake. In the creation of the Department of Industry, Science and Technology, in conjunction with its actual track record in this area, the Government has given and taken with the same hand.

The cut-backs at the National Research Council should be rescinded and the commitment to provide funding for basic research should be reaffirmed, and the base budget of granting councils must be increased above inflation, along with university research. The Government must look for imaginative ways of increasing the technology transfer to industry and assisting industry in the critical early stages of the start of a high-tech company.

The Acting Speaker (Mrs. Champagne): Questions and comments? The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Madam Speaker, I want to start off by congratulating my colleague, the Hon. Member for Nepean (Mrs. Gaffney). I am sure that I speak on behalf of all of us when I say that Members of Parliament, particularly those from eastern Ontario, are very proud to have elected such a fine Member.

My question is particularly on eastern Ontario. Given that our colleague who just spoke has been a long-time resident of eastern Ontario, and as a matter of fact chaired with great distinction our municipal council here in Nepean, undoubtedly as someone who sat in the municipal office and who knows the area so well she will probably be aware that in eastern Ontario under previous Governments there used to be a consideration of the fact that largely rural eastern Ontario is disadvantaged vis-a-vis the rest of the province.

In other words there were programs in the past, because there was more than one, that recognized the fact that rural Ontario by and large was not doing as well economically as some of the adjacent urban areas, particularly Ottawa and Toronto and southwestern Ontario. In order to assist the rural parts of eastern Ontario previous Governments had regional development programs like we have in the Atlantic, like we have in western Canada, and there was a recognition that, in Ontario, northern Ontario and eastern Ontario needed special incentives to attract industry to these areas.

I wonder if she noted in the last Throne Speech, as I did, there was a mention of northern Ontario, which is fine and of which I approve. However, eastern Ontario was omitted completely from any consideration in terms of being mentioned as an area that needed further economic development. I want to bring that to the attention of my colleague and ask if she has noted that, as I did, particularly in light of comments made by a certain Member from the Mississauga area shortly after the last election to the effect that eastern Ontario was not going to be rewarded for having chosen to elect 12 out of 14 Members who are of a political persuasion different from that of the present Government.

I ask my colleague if she would agree with me that eastern Ontario certainly deserves all the consideration that it traditionally received from all Governments, be they Liberal or Conservative, and if she agrees with me as well that rural eastern Ontario is still disadvantaged economically and requires special attention from this new Ministry which we are talking of establishing so that we can attract industry into eastern Ontario and get our fair share of the economic pie.

Mrs. Gaffney: I thank the Hon. Member for his question. I think all of us from eastern Ontario very much noticed the absence of any initiatives taken in eastern Ontario. A lot of people think of eastern Ontario as the Ottawa—Carleton area. Eastern Ontario runs all the way from the Hon. Member for Pembroke's riding, the Renfrew area, all the way through to the St.

Lawrence River, Hawkesbury, Cornwall, and it is not just this particular area right here where the nation's capital is situated. My riding is part of this Ottawa—Carleton area, and I sometimes think that we are probably better equipped to survive or initiate development than our friends in the far rural areas further away from the nation's capital than we are. Maybe we became winners in this area under a Government that was conducive to development in this area and that recognized that this was an area that was prime for development.

• (1630)

The municipalities bordering the City of Ottawa had the initiative, the foresight and the planning principles in place to enable them to move ahead. As a member of the very innovative council in my municipality, we were able to entice industry into our community. However, our rural neighbours do not have the financial resources to do that. They have to rely on Government more than we do in an urban setting.

Members of my caucus and I, as well as other members of the national caucus, were disappointed to see that there was not a greater emphasis placed on development in the rural municipalities of eastern Ontario. That was a grave oversight on the part of the Government. It is not too late for the Government to rectify that. I encourage my colleagues across the way to take note of rural Ontario.

Mr. Brian Gardiner (Prince George—Bulkley Valley): Madam Speaker, I am pleased to rise this afternoon to speak on Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts.

In the debate today Members on this side of the House, and I hope Members opposite, will have an opportunity to bring out some of the concerns we have with respect to economic development in Canada, which is the subject matter of the motion we are debating this afternoon. To give a brief description of this legislation, it is to establish in law—to create—the Department of Industry, Science and Technology which will replace the Department of Regional Industrial Expansion, which has had most of its functions replaced by the Atlantic Opportunities Agency and the Western Diversification Office. As the previous speaker said, these two entities will be meshed together in an attempt to have industrial policy in science and technology within the same Department.

It is creditable that the Government should undertake such a measure. As the debate goes on, it will be carried by our critics who are stick-handling this particular discussion from our side of the House. I refer to the Hon. Member for Windsor—Lake St. Clair (Mr. McCurdy) and the Hon. Member for Essex—Windsor (Mr. Langdon) who will be discussing the Bill further as it proceeds through the House.

We are debating today a motion moved by the Hon. Member for Essex—Windsor. I would like to read it since it points out the importance that Members on this side of the House place on the debate we have leading up to the Budget on Thursday in terms of our economic development. The motion states:

> "this House declines to give second reading to Bill C-3 because it fails to clearly define federal Government responsibility for regional development and specifically fails to reflect the requirement under s. 36(1)(b) of the Constitution Act, 1982 that Parliament is committed to "furthering economic development to reduce disparity in opportunities"."

The concern now is with respect to what we will see in the Budget on Thursday night. In my discussion I would like to focus on what my research has turned up in terms of the vehicles for that economic development which I suggest will be threatened on Thursday night by the Minister of Finance (Mr. Wilson) as well as what may be suggested in the future.

I want to focus on what is a critical development tool in my Province of British Columbia. I think the same applies to other provinces as well. I refer to the forestry agreements which come under the umbrella of economic agreements which the Government currently has up for review. It is revealing that at this point in time there are economic agreements in limbo with some six provinces. In fact, official negotiations have not even started in those agreements. Particularly revealing is the importance that this has to all Members in those areas, be it with respect to tourism, mining or forestry. It is shocking to see that we have reached such a stage in economic development in Canada.

In British Columbia prior to the election we talked about the silent 19 Tories who had nothing to say about B.C. Their number has been reduced. They are now invisible. They are now the invisible 12. We will have to send out a search and rescue team quickly to find those Tories from B.C. They are not representing the interests of their constituents in this House, especially when the Minister of Finance will start to dismantle economic agreements and forestry agreements on Thursday night.

These economic agreements are vehicles by which different levels of Government can participate in economic development in a particular area. In British Columbia there is a forestry resource development agreement. We have a science and technology subagreement. We also have an agriculture subagreement, as well as agreements in mining and other areas. There has been a great deal of debate about what the Government will do with economic development in the Budget. There has been written notice given to the House that something is afoot in terms of how these agreements will be rewritten. I refer to a letter sent to me on April 18 by the Minister of State for Forestry (Mr. Oberle) who stated: "A full year remains in the present agreement and formal negotiations for new agreements cannot be undertaken until such time as a new economic regional development agreement policy framework has been approved by Cabinet". What is that new economic regional development agreement policy framework that is being discussed?

The Budget on Thursday will be more than a Budget of numbers. It will create a furore in the country, a furore such as Members opposite claimed was created by the National Energy Program which was introduced by the Liberals when they were in office. It is extremely important that all Members pay careful attention to the debate that follows the Budget.

We also know from comments made by the Minister of Regional Industrial Expansion (Mr. Andre) that the Government will try to change the agreements because it is not getting the credit that it wishes. I have a clipping in my hand from *The Ottawa Citizen* in which the Minister is quoted as having said: "Candidly, some of our members are ticked off".

Do you know what the debate comes down to, Madam Speaker? It comes down to who gets the biggest four-by-eight on a project site. It is the Government's own fault if it cannot turn its incredible and massive public relations operation to obtaining a nicely painted four-by-eight on a site for which it feels it should get credit. It is ludicrous to think that for some PR we will see a complete rewriting of economic development agreements. That is the level to which the debate has sunk when we talk about economic agreements in the country.

I would like to comment briefly on one particular subagreement which is critical to a great many smaller communities, such as the ones in my riding. I refer to tourism. There is a sense in my province that when it comes to assistance from the federal or provincial Government for tourist development projects or destination points, that if one is not a Whistler or a site like it then it is difficult to get the ear of the Government. If one has a development like Whistler and one needs $6 million, the Government's response is: "The cheque will be ready on Friday. Is that too late?" As most Hon. Members know there is a host of smaller tourist facilities throughout my province, as well as throughout many other areas of the country, which need some help with landscaping, sewer or electrical access and that type of thing.

If there is not a complete emasculation of the economic development agreements this Thursday night, then those types of discussions can take place, at least in British Columbia where we have an economic agreement in place, unless something happens to it. It is regrettable that the economic agreements which are currently in place are in limbo in six provinces. There are six provinces in the country which have economic agreements between the Government and their respective provincial governments that have lapsed. No official negotiations have taken place with respect to them. It is incredible that such a thing would happen and we all wonder what is going to happen after Thursday night. The importance of tourism to the provinces is to ensure that the money gets out of, in our case in British Columbia, the lower mainland, that the interior, Kamloops, the Shuswap area and North Peace, has the opportunity to access some of those funds.

• (1640)

I know the Member from Okanagan—Shuswap (Mr. MacWilliam), the tourism critic for our Party, raised this matter last week in the House in the debate on this motion. He put very clearly how important those opportunities are for a lot of the small tourist operators, many of them run by volunteer organizations that struggle from grant to grant, from employment program to employment program, and put in many hours of volunteer work to ensure that their particular sites are well taken care of and ready for the tourists that come and visit their area.

The economic agreements, I suggest to you, are the nature and reason for our motion. To express our concerns about what has happened to date with those economic agreements is all the more pointed out by a letter of April 12 from the Canadian Forestry Association to the Prime Minister (Mr. Mulroney) expressing concern about the renewal of those forestry agreements. The Forestry Association is making that their number one priority, because of the concern in our provinces regarding forest regeneration, the silvicultural work that has to be done in each of these areas.

On this side of the House we think that on Thursday night the Budget is going to be about more than just numbers. The correspondence that I have received from the Minister indicates there is going to be a wholesale change in the way the economic agreements currently exist between the federal Government and the provinces. It is a wholesale change that we will want to watch closely to ensure that in western Canada, at least, the right that we have in terms of the re-investment of tax dollars into our region is taken care of. We want to make sure that is done effectively.

Earlier in this session I put a question to the Minister of State for Forestry (Mr. Oberle) that he would give this House his assurance that it would be his Department and his Department alone that would administer the federal-provincial forestry agreements. We did not get that commitment.

I am concerned that what is going to come out of the Budget on Thursday night is going to be a funnelling, if you like, of the complete administrative control to the various agencies like the Western Diversification Fund and the Atlantic Opportunities Agency. Those are the agencies that are going to become the new channels for federal power in this country. I have some concerns about that.

In our province we have a Premier in Victoria who has created states throughout our province. Granted, in one or two places it is working. In others, it has created a whole new level of government that the various agencies have to go through. What we are seeing there and what we are going to see here is the "Zamming" of Canada from this Government on Thursday night.

I know the debate will continue, after this motion has been disposed of, into the discussion around science and technology and the concerns that we have on this side of the House about the research that is needed in that field. But I would like to suggest to the Government before closing that it has a mandate to follow through on another election promise they made, a promise they made two elections ago. That was about the introduction of legislation to establish a Department of Forests and to create a National Forests Act. We know that the Minister of State has said that it is not a high priority of the Government. That is from the January 31 issue of *The Prince George Citizen*. That is regrettable, but I checked the status of Bills and motions. We have gone as far as Bill C-10. Let us see if tomorrow we can bring forward Bill C-11, legislation to enact the National Forests Act and the Ministry of Forests so we know we can start debating that legislation as well.

In closing, I want to say that I look forward to some of the future debate on this legislation. I know the Member from Prince George—Peace River (Mr. Oberle) is aware of the work that is being done in our community for a northern university and the role that science and technology can play, and some of the representations I have made to him about the need for a forest research centre in Prince George. I think we will hear more about that in the future as we discuss science and technology as it relates to the forest industry in this country.

Most of all, I urge all Members of this House and the Canadian public to watch and listen to the Budget closely on Thursday night because I suspect that we will have a full plate to deal with. I trust this Government will listen to the concerns that we raise and that they will hear Canadians and their concerns about economic development in this country. Thank you, Madam Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria)—Unemployment

Insurance—Changes to system—Effect on rural areas—Effect of changes on Newfoundland; the Hon. Member for Haldimand—Norfolk (Mr. Speller)—Canada-United States Free Trade Agreement—Effect on agricultural workers—Supply management systems; the Hon. Member for New Westminster—Burnaby—Unemployment Insurance—Impact of—Request for assurance women will not be penalized.

[*English*]

GOVERNMENT ORDERS

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-3, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee; and the amendment of Mr. Langdon (p. 724).

Mr. Murphy: Madam Speaker, it is great to hear the Member speak in the House. I know that he represents northern B.C. He and I have been working on a project dealing with the fact that many northern communities are being denied the northern tax benefit. Madam Speaker, you will remember that last week I presented a petition signed by over 5,000 people in the communities of Thompson-Wabowden complaining about the fact that they are being cut back by one-third on the northern tax benefit. Since this Bill deals with regional development, I wonder if the Hon. Member could explain the feeling of the communities in northern B.C. about this unfair treatment by the Finance Minister on this very important issue.

Mr. Gardiner: Madam Speaker, I want to thank the Member for Churchill (Mr. Murphy) for that question because I know he has been doing a lot of work in this area. He has been the leader in our caucus in discussing the northern tax allowance and its benefits to residents of not just northern Canada, but remote and isolated areas. In some parts of our various provinces, you do not necessarily have to live in the north to be remote and isolated.

The question the Member puts in regard to the feelings in northern British Columbia about the northern tax allowance I can respond to very easily. They are concerned. If there is one consistent question that was asked of me during the election campaign and since, it is: What is the status of the northern tax allowance? When are we going to expect something from this Government? We expected something, and got a report on the status of that northern tax allowance, which was very much like closing the barn door after the horse has gotten out. In this case it was a confused horse. All Members know the confusion that this Government created when they were implementing that tax benefit.

It is a question that people are asking because they are concerned about how unfair the Minister has been in already cutting a third when he wanted to hear from his commission that travelled throughout the country about the northern tax allowance. Unless the Minister of Finance deals with this matter on Thursday night, the unfairness will continue. I think the Member for Churchill should be congratulated by all Members who have areas like that in their ridings for the ongoing work he is doing in this field.

• (1650)

Mr. Hopkins: Madam Speaker, when this Bill was first introduced in the House by the Minister—

The Acting Speaker (Mrs. Champagne): Order, please. Is the Hon. Member rising on debate or question and comment?

Mr. Hopkins: I am rising on a question, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Please proceed. I apologize.

Mr. Hopkins: The Minister said: "To remain competitive in today's international market we must adjust our priorities and spread our resources more evenly along the continuum from science to marketing".

What does the Hon. Member think the Minister meant when he said "adjust our priorities"? What are his priorities in this Bill? How will he spread resources more evenly when he is reducing them? What does he mean by "from science to marketing" when the Government is putting far less emphasis on science than we have seen in this country for years?

Mr. Gardiner: Madam Speaker, being a new Member to the House, I was not here when these comments were made. In any case, they certainly sound like wonderful words. We have learned to expect that from the Government when it states its intentions. It is an excellent question to ask how it will be accomplished.

I suppose I can give the same answer as Ministers opposite give: "We will have to wait until the Budget to find out because, as you know, I am not allowed to reveal that information". That is the answer we get from Members opposite.

I suggest that one of the vehicles for achieving that goal and making those wonderful words into policy of "tech transfer", is the vehicle of the economic agreements and various technological subagreements that exist in there.

If there is going to be a complete new framework, as was stated to me in the letter from the Minister of State for Forests (Mr. Oberle), we will have to study that closely to ensure that the laudatory words we heard when this legislation was first introduced in the previous Parliament are carried through.

Mr. Kristiansen: Madam Speaker, I thank the Hon. Member for Prince George—Bulkley Valley (Mr. Gardiner) for his remarks on Bill C-3. My comments arise from a meeting I attended in Nelson, British Columbia, last week. It was a week-long convention attended by well over 200 people in the mining industry from the Chamber of Mines in eastern British Columbia. It was the largest convention of its kind since 1933 in the southeastern part of that province. They expressed very strong concerns relating directly to this Bill. My first comment concerns the mineral development agreement. The Canada-British Columbia Mineral Development Agreement at $10 million is the smallest of the eight subagreements made under the $580 million Economic Regional Development Agreements in British Columbia.

The B.C. Mineral Development Agreement, from a Canadian perspective, is very small. The agreement is larger than those of only two provinces, Saskatchewan and Prince Edward Island, when the mining industry in British Columbia is one of the key employers and producers of wealth in the region.

Furthermore, the geoscience data-base in British Columbia is inferior to that of several other provinces. For instance, 90 per cent of the province remains to be mapped at a scale which is required for basic exploration in the province. Yet, this is one of the smallest agreements in Canada.

The Chamber of Mines in eastern British Columbia had several concerns, particularly with regard to Bill C-3. According to Bill C-3, the Government is eliminating the current regime for regional economic expansion. It is likely that the Budget on April 27 will result in a further removal of this whole area of regional subagreements under the Western Economic Diversification Fund, as far as western Canada is concerned.

I want to refer briefly to the British Columbia-Yukon Chambers of Mines letter written to me on March 28. It states:

> We believe the Western Diversification Fund's policies and objectives are not compatible with the current structure of Mineral Development Agreements inasmuch as the Western Diversification Fund's mandate is to diversify through industry with industry delivering the product.

In a letter dated February 28, addressed to the Minister of Energy, Mines and Resources (Mr. Epp), the Chamber of Mines of Eastern British Columbia said:

> We have a concern that your government may confuse MDA funding with funds allocated by the Western Diversification Office. Sir, the policy and objectives of the two programs are totally incompatible: the fundamental objective of MDA is to deliver basic geoscientific data to a variety of users including government (as well as to industry to foster the discovery and development of new mines).

Does the Hon. Member share these concerns of the miners and the mining industry in British Columbia? How does he view the presumed intent of the Government to lump this in with regional development programs under the Western Diversification Fund?

Mr. Gardiner: Madam Speaker, I thank my colleague, the Member for Kootenay West—Revelstoke (Mr. Kristiansen) for the question. It points out to the House the concerns that I have raised about the changes that are likely imminent under the regional development programs of the Government.

The question is similar to the one about forestry, when we asked the Minister if he could give us the assurance that his Department alone would administer the forestry agreements with the provinces. The same question could rightfully be put in terms of the mining subagreement.

Certainly in British Columbia, New Democrats are not taking this sitting down. Just yesterday we announced an action plan in terms of forestry. New Democrats, with my colleagues from the Kootenays, are looking as well at the mining subagreement to make sure the Government understands the importance of those agreements and how they are administered. It should not take comments lightly about how Members on this side view those agreements and how they can be implemented.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I have a great deal of concern about Bill C-3. I think it will reduce the emphasis on regional development in this country. I believe this Bill is another step in the Government's attempt to gloss over the whole question of regional development. I believe this legislation is an attempt to isolate regional development to Ontario and Québec, while leaving Atlantic Canada to the Atlantic Canada Opportunities Agency, western Canada to the Western Diversification Office and northern Ontario to its own fund. The Government's attitude seems to be that the regions should take care of themselves with those funds so it may concentrate on southern Ontario and Québec. That attitude will do a tremendous amount of damage to this country.

Canada depends on regional development to keep it as a unit. Rather than Balkanize Canada, the Government should see the country as a whole to determine what areas need the most attention.

Canadians in Atlantic Canada, western Canada, and northern Canada will not have their lives pigeonholed with these various development programs. The Government cannot shift its responsibilities to these various regional development agencies and still maintain this country as the great unit it has been since Confederation. That concept which the Government is trying to create is totally unacceptable. The Government will try to make Atlantic Canadians believe that this approach will be beneficial to them.

• (1700)

It could be beneficial to Atlantic Canadians if the Government really wanted to develop the concept of regional development. It could be beneficial if the Government, without political patronage, wanted to develop Atlantic Canada and do what was best for the various areas of Atlantic Canada. The same is true of western Canada and northern Canada. The Government should treat these regions as a part of Canada. However, this is not what is being done.

I am afraid that the concept of regional development is being gradually whittled away. The thrust of this originated with the Free Trade Agreement. There is no definition of a subsidy in the Free Trade Agreement. The Government wants us to believe that regional development will not be considered a subsidy. However, that is not what the Americans are saying. They are saying that regional development is considered a subsidy. This is evidenced by the decision taken regarding Sydney Steel Corporation.

A countervail has been placed against Sydney Steel Corporation by the United States Department of Commerce, a countervail in the amount of 103.55 per cent. How was that figure reached? The Department of Commerce listed every bit of government assistance the Sydney Steel Corporation receives, either federal or provincial, and applied a certain percentage of countervail against each item. It came up with the figure of 103.55 per cent.

Sydney Steel Corporation is in an area that is undergoing economic difficulties right now. The programs Sydney Steel took advantage of were programs that were made available by the federal and provincial Governments. It is a provincial Crown corporation which did not break any laws, but if this American countervail is ratified, Sydney Steel will suffer but not as a result of Canadian law. The company took advantage of Canadian programs that were made available and it obeyed the laws of Canada. As a result of the Free Trade Agreement, it will be punished retroactively by the laws of the United States of America.

Regional development is becoming something that is determined by the United States of America. Any industry that locates in Atlantic Canada, northern Canada or western Canada and receives a subsidy from the Government or the respective province will be seen by the United States as a company that is receiving a subsidy. Because it is seen as a company that receives a subsidy, the company will be countervailed against when it exports into the United States. It will be punished by that agreement which was supposed to be of such benefit to all Canada, an agreement that was supposed to help Canadians living in the regions that were undergoing economic difficulties. Instead, we are being punished by it.

We in Atlantic Canada were told that the trade agreement would be the salvation of the economy because we would be able to ship things made in Atlantic Canada by water to the eastern United States. That would be wonderful if we could do so without punishment. It would be of tremendous benefit. I do not hesitate to say that.

Before Confederation the natural markets of Atlantic Canada were in the eastern United States and the West Indies because goods were shipped by water and water transportation is the cheapest form of transportation. If a company locates in Atlantic Canada and receives assistance from the federal Government or the province, and if in turn it is judged by the United States to have received a subsidy because of regional development assistance and is countervailed against with a 7 per cent penalty, how can we expect the company to compete?

What is the Free Trade Agreement doing for Atlantic Canada? It is a catch-22 situation. We will be worse off if the United States perceives that we have broken an agreement that was entered into between the two countries. It would not be a rule of thumb of the U.S. Congress. It would be a determination by the United States that we breached an agreement entered into with the United States.

We have entered into a trade agreement with the United States. That could be very beneficial, but if you went to a lawyer, Madam Speaker, and said that you wanted an agreement that would allow you to carry on your business in a certain way, an agreement on which you could rely, and then you went back in a month's time and the lawyer said that the agreement was ready but there were a couple of clauses that had not yet been defined, but told you to sign the agreement and he would fill in the definitions later, you would get another lawyer. If you did not, one would wonder why you did not. However, this is what Canada did. It has said it would sign the agreement without specifying that regional development is not a subsidy.

We are now subject to the American determination of a subsidy and the Americans think that regional development assistance is a subsidy. I say this because of the Sydney Steel Corporation example. The Department of Commerce of the Government of the United States, not an *ad hoc* body, has put a percentage figure beside every subsidy Sydney Steel receives from the federal and provincial Governments, added up those percentages and came out with the figure of 103.55 per cent for a countervail. In today's competitive market, if it were a 5 per cent countervail, it would be difficult for Sydney Steel to sell its products in the United States. However, the countervail is 103.55 per cent.

Two of the items included in that list are ERDAs and General Development Agreements. Those are the backbone of the regional development program. What could be less offensive than an ERDA or a GDA? This is funding entered into through an agreement between the federal Government and the provinces. Since Nova Scotia is considered to be a province that is having more economic difficulty than Ontario, for example, the federal Government may contribute more to an agreement with it than it would to an agreement with Ontario. These agreements cover various aspects of the economy including agriculture, fisheries and forestry.

Included in that list compiled by the United States Department of Commerce is the assistance Sydney Steel Corporation receives under ERDAs and GDAs. These are considered subsidies by the Government of the United States. That is a frightening situation of very great concern.

• (1710)

The Government has stated that it is not going to sign any ERDA agreements until after the Budget. Why is the Government saying that? As the lesser of the two evils the Government would like us to think that because it has to get into a cost cutting mode it is going to cut out regional development assistance. However, what the Government is not saying is that it is not a question of cutting out regional development assistance in the Budget. It is a question that it has already given away the right to regional development assistance through the Free Trade Agreement with the United States.

The Budget has nothing to do with it. In the matter of regional development we are going to be restricted to infrastructure agreements with municipalities and agreements that do not relate in any way to specific industries that may, will, or, by some hope in the future, have any trade with the United States. If those industries in Canada receive any assistance they will be countervailed by the United States.

That is treachery against the areas of the country that were hoping to increase their economic performance and to reduce economic disparity instead of having that economic disparity widen. It is treacherous that the Government signed an agreement without having all of the definitions filled out and meaningful clauses put in. The Government bailed out on the "have not" areas of the country.

The Minister for International Trade (Mr. Crosbie) is now saying that it will take seven years to define a subsidy. He also stated: "What two countries have been able to agree on what is a subsidy?" That is cold comfort now, after we entered into the agreement which was finalized four months ago.

The Minister tells us that it will be the full seven years and that we should not expect a definition of a subsidy because in his opinion no two countries have ever been able to agree on the definition of a subsidy.

That certainly is cold comfort for people in Atlantic Canada, northern Ontario, and large parts of western Canada who hoped to be able to close the economic disparity gap. They were told by the Government that that gap was going to be closed. Instead it is widening, and the Government is fostering that at the present time. That is the problem and that is the misleading that has been going on.

What are the ramifications going to be? Those people who would have established in Atlantic Canada because they were on tide water and could ship from a port in Atlantic Canada to tide water in the United States and take advantage of one of the cheaper means of transportation, will not be able to do that now. If they receive assistance from the province or the federal Government to relocate in Atlantic Canada, they will not be able to ship into the United States without a countervail because the American Government will consider that they have received a subsidy.

In this Act the Government is belittling the whole scheme of regional development. Gradually it is erasing it from the vocabulary of Canadians. This is happening at a time when it is particularly difficult in areas such as Atlantic Canada. In Atlantic Canada, northern Canada, and western Canada people have to deal with higher interest rates. The Government is now telling us that we have to deal with those higher interest rates because we have to cool down the economy in southern Ontario.

Why is the Government now saying that the economy in southern Ontario has to be cooled down? The Government previously stated that it could not reduce the deficit more because that would cause a decline in the activity in southern Ontario and in other parts of the country. It would throw cold water on the economic revival. That is why the deficit could not be further reduced. Yet we are now being told that the deficit has to be reduced more and that we have to cool down the economy in southern Ontario. Right across the country people will have to bear the brunt of higher interest rates.

The other side of the coin is extremely interesting. While the economy in southern Ontario has to be cooled down, the economy in Atlantic Canada certainly does not need to be cooled down. Far from it. It needs to be fostered by the Government with some action instead of platitudes and excuses.

However, we are going to have the economy in Atlantic Canada cooled down anyway because high interest rates apply across the country. Because of the Government's policy of deregulation in the airline industry we now have Air Canada and Canadian Airlines International forming subsidiary companies. In northern Ontario and in western Canada those subsidiary companies are being formed. In Atlantic Canada we have Air Nova, which is a subsidiary of Air Canada, and Air Atlantic, which is a subsidiary of Canadian Airlines International. Air Canada and Canadian Airlines are to cut down service to some of the less populated areas, not in the major centres.

However, they are also stating: "Lucky you in Atlantic Canada, because you are going to get more flights". We are to get a Dash-8 service sponsored by Air Nova or Air Atlantic. Jump up and down because this is a great day is what they would have us believe.

There will be more flights, but there will be less capacity for cargo. The big problem is that Air Canada employees in those areas where service is being phased out will all have to take severance pay, early retirement, or move to some other location. The people who will work for Air Nova and Air Atlantic will be replacing those employees who worked for Air Canada and Canadian Airlines. They will only be paid 50 per cent to 60 per cent of what Canadian Airlines and Air Canada employees were paid. They are only to receive 50 per cent to 60 per cent for doing the same work that was done by employees of Air Canada and Canadian Airlines. They will be doing the same work done by those people employed in Halifax, Montreal, and Toronto. The same work is being done in the major centres, but those people in the major centres are paid considerably more.

That is the Government's idea of regional development. This Bill is only another step further along the road to widening the disparity gap between the major centres and those areas undergoing economic difficulties at the present time. It is a big step backward and another step backward fostered by the Government.

The Acting Speaker (Mrs. Champagne): On questions or comments, the Hon. Member for Renfrew.

Mr. Hopkins: Madam Speaker, the Hon. Member mentioned the regional development policies of the Government as being a Balkanizing factor in Canada, and they certainly are. The Government is bringing in a new system with all of western Canada under one agreement and all of Atlantic Canada under one agreement, lumping regional development in Ontario and Québec and indeed splitting Ontario and Québec. The Ottawa Valley is a good example. The Québec side of the Ottawa River was previously designated under DRIE and is now under Regional Development, and the Ontario side is not.

Would the Hon. Member agree that what the Government is actually doing is downplaying the whole scenario of regional development assistance simply because in a very sneaky, underhanded manner it wants to get away from being seen to be giving subsidies to any industry whatsoever? It wants to get away from being seen as giving subsidies to the forest industry for research and development, which relates directly to this Bill. The Government is simply bringing in this new Department to downplay and get rid of all subsidies. It is afraid that the United States will complain on a continuing basis if there is more subsidization of Canada's regions.

• (1720)

Mr. MacLellan: Madam Speaker, I would like to thank my colleague for his question. He has made a very pertinent and important point. The Government in the Budget will be cutting back on regional development. It is going to try to cut back on regional development in many ways. We will be told that it is a cost cutting measure and that we have to reduce the deficit.

What the Government will not be telling us is that we are losing regional development because that has already been negotiated away in the trade agreement with the United States.

The most insulting thing that gives us a picture of what this Government thinks of our great nation is that it has set aside some funds in the Atlantic Canada Opportunities Agency, in the Western Diversification Fund, and for northern Ontario. Then it said: "Now, look boys and girls, go away. Don't bother us anymore. Here is your money. We are going to bring in this Bill for a Department called Industry, Science and Technology which will have the real big money, the real meat. We are going to work on Southern Ontario and Québec and allocate this whole Department to them, parcelling pockets of funds to these outer areas."

The very Bill leans toward the Balkanization of Canada. It makes Canada become a country with two levels of economy.

What did the Government do through its decentralization of airlines and through the closing of the Gainers plant in Cape Breton, when the Atlantic Canada Opportunities Agency gave Gainers money to locate in another part of Nova Scotia but did not allow the workers to transfer? I hope that situation will be changed.

The Government is fostering two levels of success in this country. It is saying to the people in the areas undergoing regional economic problems right now that they cannot aspire to get to the premier level of economic success because the Government is grading, creating, two levels of success and they have been relegated to the second level.

Mr. Malone: I would have preferred it, Madam Speaker, had the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), when he looked under the bed this morning, not seen so many spooks in addition to dust.

Some Hon. Members: Oh, oh!

Mrs. Campbell (South West Nova): Speak about your own province.

Mr. Malone: There is a fine idea coming from a Member opposite who says that we should speak about our own province.

When the Member from Cape Breton—The Sydneys says that there are two levels of success because of the trade arrangement in this country, he fails to realize that the arrangement does away with the history of this country which had two levels of success in place. It was the discriminatory freight rates that worked against both East and West and toward the centre. It disappeared with Bill C-18 and Bill C-19 and the protection of tariffs in central industries which kept the Atlantic provinces and the West from developing their capacity.

Since free trade, there has been, at least in Western Canada, an avalanche of opportunity into the west coast market for Canadians. In High River, Alberta there is a brand new, technical, huge, ultra-modern meat packing plant going into place. Under the old freight systems and with tariff barriers against them, they moved raw product out and did away with the manufacturing potential for Atlantic provinces and Western Canada.

Basically, more than anything else, from where would the Hon. Member find confidence in economics to come to the conclusion that his region could never survive if it were not for subsidies? Surely this is a land that is equal and I believe better than anywhere else in the world. Given fair opportunity and market size we can penetrate that market.

Why sell potatoes from Prince Edward Island when we can sell potato chips? Why sell any product that comes from a province without value adding, manufacturing and processing to another level and keeping the jobs at home?

I come from the Province of Alberta. We export ethane and methane through pipelines at 16 per cent and 18 per cent tariff rates. Because there is a tariff imposed against us we cannot manufacture the product. Down that pipeline not only goes natural gas but the jobs of our sons and daughters.

Surely the Hon. Member for Cape Breton—The Sydneys would realize that there are opportunities in his region of Canada, as long as they have the confidence to believe they can add to raw product manufacture and sell it at another level. We all know the citizens in their area have the ability to do so.

Mr. MacLellan: Madam Speaker, I would like to tell the Hon. Member for Crowfoot (Mr. Malone), although I have a good deal of respect for him, that he is not aware of what is going on in his own province.

We were told when we were in government between 1980 and 1984 that we were picking winners and losers and that we were doing things to detract from the western sedimentary basin and from the conventional industry in Western Canada, which is exactly what this Government is doing at the present time. It is concentrating on the major projects and ignoring the conventional industry in western Canada, which is causing a very serious economic problem in the western sedimentary basin.

Small companies cannot get the funding from the banks. Big companies are using their money for mergers and buy-outs instead of exploration. The service industries are unable to work. Rigs are standing idle.

What is the Government trying to do? It is trying to get us to believe that it has brought in the Canadian Exploration Development Incentive Program and that it has spent much money. The Government spent money but that money did not go to the smaller companies as the Government would have us believe.

Some 90 per cent of applicants under the CIDA program got less than 20 per cent of the funds. The Government will now wind up CIDA, patting itself on the back and saying "aren't we great, look at what we have done." The Government could do something sensible and reduce the ceiling from $10 million to $1 million and still satisfy 90 per cent of the people who apply under the program and save 65 per cent of the money.

The program cost so much money because government made a complete mess of it. The Government costed it in a way that defies even someone with Grade 5 arithmetic. The Government made a mess. It is trying to punish the small producer and the service industry in western Canada for their mistakes yet is patting itself on the back. At the same time it is a Government in charge of the country's economy.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Churchill.

Mr. Malone: Surely I can respond to that.

Mr. Rod Murphy (Churchill): Madam Speaker, perhaps you could point out to the Conservative Member that Conservative Members are allowed to get up in the House and debate anything they want. If the Member wished to respond to Liberal Members he, as a Member of Parliament I presume duly elected by his constituents, could rise and speak to them.

Some Hon. Members: Oh, oh!

An Hon. Member: How did you get in?

Mr. Murphy: By a big margin. All the area that used to be part of the riding of the Minister of Energy, Mines and Resources (Mr. Epp) voted solidly for me.

Some Hon. Members: Oh, oh!

Mr. Murphy: For that matter the only problem I had during the campaign was in Barons River. One person living in that community spoke Cree to me and gave me heck. He was an elderly native person. I did not know what he was saying, but I knew I was in trouble. My MLA from that region translated. He said that he was giving me heck because I had not been there for the last eight years. I said, the last eight years? I have not been the MP for this region for the last eight years. It is the Member for Provencher (Mr. Epp) who has been your MP. It is he you have not seen. I would like to thank the Minister of Energy, Mines and Resources for the solid vote he has created for me in my riding. I think he could not have done a better job if he had tried. And this legislation, Madam Speaker, is going to do the same type of thing.

• (1730)

Some Hon. Members: Oh, oh!

Mr. Murphy: I will certainly refer to Madam Speaker throughout my speech.

Madam Speaker, this legislation states it is an Act to establish the Department of Industry, Science and Technology, and to repeal the Department of Regional Industrial Expansion. When we saw this legislation, we wanted to support the idea of creating a department which was responsible for science and technology because we believe that is important in this nation. We support that part of C-3, the legislation that is before us today, but we cannot support the further dismantling of regional economic expansion in this country.

Some Hon. Members: Hear, hear!

Mr. Murphy: When the Liberals were in power from 1980 to 1984, they destroyed the Department of Regional Economic Expansion. They deliberately took it apart and that department no longer existed. They created the Department of Regional Industrial Expansion.

Mr. Speaker, I was the critic for regional expansion at that time and I will tell you—

An Hon. Member: You did not know what was going on.

Mr. Murphy: The Liberal Member stated I do not know what is going on. He can go to the other House, the other chamber, and talk to the senator there who was the Minister—

An Hon. Member: Don't believe it.

Mr. Murphy: He was the Liberal Minister at the time and he told me it was a mistake that the Government made. It was a mistake the Liberal Government made when they destroyed the Department of Regional Economic Expansion.

An Hon. Member: There is no such thing.

Mr. Murphy: He has admitted that. He is in public on that.

Mr. Speaker, what this legislation is doing is taking us further down that road. That is why my colleague, the Member for Essex—Windsor (Mr. Langdon), seconded by the Member for Mission—Coquitlam (Ms. Langan), offered this reasoned amendment to the House. The amendment states:

> "this House declines to give second reading to Bill C-3 because it fails to clearly define federal Government responsibility for regional development and specifically fails to reflect the requirement of s.36(1)(b) of the Constitutional Act, 1982 that Parliament is committed to "furthering economic development to reduce disparity in opportunities".

What has happened is that this legislation makes it even more difficult to have a voice in Ottawa, a mandarin in Ottawa who is committed to regional economic expansion right across this country.

That was one of the problems when we went from the old Department of DREE to the new Department of DRIE, the one that is now being eliminated by this legislation. What happens is that there are a lot of voices in Ottawa speaking out against regional economic expansion. There are corporate interests in Ottawa, lobbyists in Ottawa, speaking out against giving money, grants and tax benefits to the disadvantaged parts of our country.

An Hon. Member: Washington.

Mr. Murphy: As my colleague for Kootenay West—Revelstoke (Mr. Kristiansen) pointed out, we will now have a situation where a lot of our plans, a lot of lobbyists from the United States will be here also speaking against our regional development programs.

It is no accident that all the ERDA agreements have been allowed to lapse. It is no accident that this Government has refused to sign agreements that are very important to Atlantic Canada, very important to Québec and Ontario, and very important to western Canada. In my own region the Northern Development Agreement

was allowed to lapse at the end of March of this year. It is not because the Government did not have time to plan. It had all the time. This Government has been in power for over four years.

An Hon.Member: Too long.

Mr. Murphy: Not only that, the Northern Development Agreement originally expired in 1987.

An Hon. Member Those were the good old days.

Mr. Murphy: They fought for a two-year extension because they needed more time to do the planning and to make sure a new northern development agreement was in place. The Province of Manitoba agreed to the two-year expansion. The native groups that were affected agreed to the two-year expansion. Those two years have come and gone and now the agreement has gone as well.

That is an agreement which created many opportunities for people in northern Manitoba. I would just like to talk about some of them. It is interesting, Mr. Speaker, that when the legislation came down and the Northern Development Agreement was first put in place, the Government had money to put out a brochure called "Update", which stated that the NDA is part of long term strategy. It is such a long term strategy that they could not even put a new agreement in place after a two-year extension. There is no long term strategy. There is no planning. We have obviously lost any emphasis, any strategy, any focus for regional development.

We do not have voices in the Department working in Ottawa, represented at the Cabinet table doing the work to make sure these regional development agreements are continued and expanded. Instead, what you have is other loud voices, actually working and making sure that we do not have the types of regional development programs we need in this country. That is why this legislation is flawed.

We know that as a result of the Free Trade Agreement the very nature of our regional development programs and subsidies is threatened. We know that over the next number of years this Government will be negotiating from its weak-kneed position with the United States over what type of regional development programs we will be allowed to have. The fact that the Government has allowed the present agreements to expire, the fact that the Minister of Finance (Mr. Wilson) is going to use the deficit as an excuse for reducing these programs, is going to hurt the regions of our country. It is going to make it that much more difficult for a young boy or girl in the poorer parts of this country to get the training and the jobs, to have the economic opportunities in their own communities that they want to have.

I mentioned earlier that I would talk about some of the things that happened under the regional development agreements in my area, programs that have been allowed to expire. For example, we did not have an airport in the community of Tadoule Lake, a community that was hundreds of miles away from the nearest community. If there were an accident and someone had to be flown out, we had to hope that the lakes were frozen and we could land a plane on skis. Or we had to hope it was a calm day in summer so one could land a float plane. There was no other way in or out of that community. So the Northern Development Agreement helped to create and build an airport there.

We have other communities that do not have airstrips. If the new Northern Development Agreement were in place, those communities could have their airstrip and someone's life could be saved. If we do not have a means of getting people in to help, and people out when the need is there to get medical attention, obviously their lives will be threatened in break-up and in freeze-up. So that is a need that used to be met through our regional development programs but which is not happening at the present time because this Government, even after a two-year extension, would not negotiate a new Northern Development Agreement.

• (1740)

It is always interesting that when the Government has programs there is always a federal Cabinet Minister who is always so happy to announce a program, happy to announce a grant and say how wonderful the program is and how the program is uniquely suited to help the people in this community. I have press release after press release after press release from various federal Ministers saying exactly that.

Here is another project which is extremely important to the communities in my riding, a commercial complex opened in the community of Pukatawagan. That does not sound like much to people living in large cities, but this community of over 1,400 residents did not have a commercial complex, did not have a restaurant, did not have a place to do laundry. All of that was made possible through the Northern Development Agreement.

Library specialists were helped to graduate through a northern development program. Funds were used to help an aquaculture project in Norway House. Money was provided to The Pas Indian band to defray management training costs. Money was used to help a fish farming business in Wabowden. Money was used to help native art. Money was used for a number of other programs. Money was used for the friendship centre, to make sure there was a place for people to stay when they came into the larger communities. Money was used for another market which, again, a Conservative Cabinet Minister found it important enough to get out and make the announcement. Money was used to provide worker advisers for the Limestone project in northern Manitoba, the huge hydro-energy program. Money was used for a wild rice processing plant.

There are many, many more but I would run out of time and would not have a chance to talk about anything else, but all of those programs and all of those opportunities, basically for native people in my riding, existed because the federal Government recognized that they had a responsibility.

An Hon. Member: A Liberal Government.

Mr. Murphy: Did someone say a Liberal Government recognized this?

An Hon. Member: What Government was it? Was it an NDP Government?

Mr. Murphy: No, it was not. I will go back further in my notes.

In 1981, when the Liberals were in government, we had to fight like hell to get that agreement renegotiated.

An Hon. Member: No doubt you were responsible for it.

Mr. Murphy: Was I responsible? The speaker who wants to speak so much was not in the House at the time. But if he had been here he would remember that we got up in the House of Commons. Herb Gray, the Deputy Leader of the Liberal Party, was the Minister responsible and had refused to meet with the provincial NDP Government in Manitoba to renegotiate that agreement. They had refused to meet time after time. The agreement was not negotiated. What we had to do in order to get a meeting between the federal Liberal Government and the provincial NDP Government was to bring provincial Cabinet Ministers up into the Opposition gallery and point them out in the House and say, "Mr. Gray, will you meet with the provincial representatives of the people of Manitoba"?

An Hon. Member: How dreadful.

Mr. Murphy: That is what we had to do. The new Hon. Member should learn that he should not make too many comments without knowing some history.

An Hon. Member: They met right away.

Mr. Murphy: Yes, they met right away because they had no choice. And the cameras followed them, the provincial and the federal Cabinet Ministers. They met in a room downstairs which is now a washroom, but they met and they did get that agreement.

Mr. Epp: It was used for a good purpose.

An Hon. Member: Then there was a vote.

Mr. Murphy: We had to fight to get that agreement in 1981 and here we are having to fight not the Liberals this time, we are having to fight the Conservatives for this agreement. But it is not just this agreement, and I do not want to talk just about my riding because it is the same problem right across this country.

When we did have a Department of Regional Economic Expansion, the Department the Liberals dismantled, it was a lot easier to negotiate these federal-provincial agreements. It was a lot easier to find a Minister who would negotiate with the Province of Manitoba, it was a lot easier to find a Minister who would negotiate with the Province of B.C. or the Province of Nova Scotia, or the Province of P.E.I., because there was someone in the Cabinet who knew that his or her responsibility was regional economic expansion.

We knew, when we created DRIE instead of DREE, those voices that were concerned with industry would win out and that those voices that were concerned with regional economic expansion would lose. It was very clear.

The senior officials here admitted that they did not like the focus on regional economic expansion. They did not want to be in a situation of telling a company they should locate in Cape Breton, or that they should locate in P.E.I. or they should locate in northern B.C. or northern Manitoba. That was their attitude. They said "We will give the company the money but we will not tell them where to locate". That did not help. That created more jobs in central Ontario, but it did not help the regions. That was the problem.

Here we were, using money that used to be allocated for regional economic expansion, where we would grant money through a corporation to set up in Cape Breton, set up in Nova Scotia, set up in New Brunswick, but now that money was still being given to firms but they were going to end up locating their plants in Ontario.

That happened where we went from DREE to DRIE, and now we are going to a situation where we are even getting rid of DRIE, the Department of Regional Industrial Expansion. We are going to eliminate any reference whatsoever to regional economic expansion in this new Department.

That will hurt the regions in the long run. When the House of Commons also decided to get rid of its own Standing Committee on Regional Economic Expansion, the same thing happened because we lost the focus. We lost the focus on regional economic expansion. Again, that is something that happened under the previous Liberal regime and I think there are members of the Liberal Party who regret that now, because what used to happen—

An Hon. Member: There are very few of them here, very few left. They are almost all new, newer than the New Democrats.

Mr. Murphy: There are a few of the old ones here.

But I will tell you that when we used to have a standing committee that was specifically set up to deal with regional economic expansion, because it only had one focus it was easy to get that committee to travel across the country. It was easy to get MPs who would hold hearings in Corner Brook, hold hearings in New Brunswick, hold hearings in parts of Québec, hold hearings in western Canada. That committee had a focus and it knew it should be out there hearing from people who were receiving grants and hearing from people who were not receiving grants and to look at the situation right across this country.

That committee did a lot of good work but it had a lot of reports. We do not have that committee and we do not have Members of Parliament travelling as a standing committee investigating regional economic expansion and the problems in the regions. All of us in this House are much poorer for that.

With the reorganization of the Cabinet, which is what this legislation does, we are going to suffer again. Now we are in a situation where we are going to have a bureaucratic decision-making process, decisions made behind closed doors, and quite often decisions made for political reasons rather than regional economic expansion reasons.

There is really no focus. You have an Atlantic committee or an Atlantic agency which is supposed to help develop things. However, it does not really report to the House of Commons. It does not really report to the Members of this House. The same thing is true of the Western Diversification Office. Again, it does not really report to the Members of Parliament.

We have lost control of our own regional economic development, and this process is going to destroy the regions of Canada.

I do believe, Madam Speaker, that it is a result of the Free Trade Agreement. I do believe the quotes that have been mentioned by other Members, when we talk of Mickey Cohen, the former Deputy Minister, when we look at the American agenda, when we know that the Americans do not like our system of regional development grants and assistance programs. We are aiding and abetting them. We are aiding and abetting their ability to run and control our Government and our country. That is why we have to oppose the legislation as it now stands.

Mr. Gardiner: Being a new Member to the House I am certainly pleased to hear the Member for Churchill (Mr. Murphy) who I understand has put in some ten years of fine service to his riding and to this House in the anniversary coming up with a number of Members. I certainly respect the work he does with our caucus and all of the work that he does in this chamber.

• (1750)

My question to the Hon. Member in light of the debate today on Bill C-3 is in regard to the cost-shared forestry agreement in Manitoba. There were some $27 million that went into the development of the forestry resource in his province. Unfortunately, that is now in limbo because the Government has not done anything about it. Does the Hon. Member think that if there were a full department of forests and a Minister responsible for forests and that if we had a commitment to a national forest Act, we may then have a chance to rescue this agreement before facing the possible emasculation of economic agreements on Thursday night in the Budget?

Mr. Murphy: Madam Speaker, I would like to thank the Hon. Member for his question. I should point out that he might be a new Member but he has been around the Hill for almost all of those 10 years. He used to work for the Hon. Member for Skeena (Mr. Fulton). I know that in that capacity he was very interested in the forestry portfolio and very concerned that we did not have a full department at the federal level.

His question is valid. He points out a serious problem that exists. We do not have forestry agreements in place, not only in Manitoba but in other provinces as well. There really is not anyone speaking up in the inner Cabinet, in the powerful committees that have been set up to represent the interests of those of us who come from ridings and provinces in which the forest industry is very important.

Madam Speaker, you know that the forest industry is one of our most important industries, not only for its raw resources or the jobs that it creates but because it has been a steady source of income for all Canadians. We have not managed that resource very well.

One of the advantages of the forestry agreements is that they have enabled us to perform reforestation and to undertake training. This has ensured that we have people in place who know how to manage our forests and how to make sure that we were doing a better job. Unfortunately, by allowing the agreements to lapse and by allowing the Thursday night butcher to control everything the Government does, we will all be in a situation in which the forests of our nation will suffer. Those who work in the forests and those who work with the natural resources that come from our forests will lose their jobs as a result of that.

Mr. Kristiansen: Madam Speaker, I know that my colleague from Churchill has been a Member for some 10 years now. I know that he was not able to maintain that record and reputation in his area without being fair. I am sure that he would want to be fair to the Government since there is at least one element of Bill C-3 before us which I think we have agreed is a positive one, that is, the one which places more emphasis on the area of science and technology. Many of us have looked forward to a priority being placed on that area.

As I read the legislation and consider some of the other actions of the Government, I begin to wonder if they do not fit in with Frank R. Scott's poem about William Lyon Mackenzie King who once said that he never let his on the one hand know what his on the other hand was doing. While the Government is placing more emphasis on science and technology in the legislation before us and giving it full ministerial status, it has at the same time refused to intervene in the case of Connaught Industries. Mérieux of France, a state corporation, is being given a free hand to take over a major Canadian company that has made a significant and great contribution to research and development in the area of pharmaceuticals. This is an area which is vital to the future progress of much of science and technology and industry in Canada.

The Government is so committed to privatization and the idea that if it is foreign-ownership then it must be good because it will bring us new foreign technology and management. The Government thinks that that will give us broader entry into world markets. However, the Government is blind. It is like Lord Nelson at the Battle of Trafalgar. The Government sees the flag flying and the French colours and thinks that because it is foreign it must be good. The Government puts the telescope to its blind eye and charges ahead.

The Government is so committed to foreign ownership as a way of improving the status of our research, development, technology and trade that it has given over a private Canadian corporation, which has done an excellent job in research and development, to a French state corporation.

Perhaps my colleague can comment on this. I never thought I would see a Conservative Government embrace state technology and state ownership so overwhelmingly, even if it is foreign state technology. Does the Hon. Member think that in Conservative minds, even if it is a state corporation from abroad, it is preferable to a Canadian privately owned corporation, which in this case has done an excellent job of research and development?

Mr. Murphy: Madam Speaker, I thank the Hon. Member for his question.

Mr. Boudria: Remember, you have to be fair.

Mr. Murphy: I can be fair to the Conservatives. They just do not like it when I am fair to them. That is the problem.

It is obvious that socialism is okay as long as it is not Canadian socialism. The humour about the situation is ironic and tragic. Every time we have a choice between making decisions in Canada and letting others make decisions for us this Government has always sided with letting others make the decisions.

In the free trade debate the Conservatives talked about how they were creating new opportunities for Canadians and how great it would be for our young people. They said that they will have all sorts of wonderful opportunities and that they will be able to do things in Canada. Who will they be doing them for? They will be doing whatever they are being told to do by, in this case, the French, and in other cases the Americans, and in even other cases by European nations. We will be in a situation where there might be jobs in Canada but they will not be jobs for Canadians. The management and the scientific and research decisions will not be made by Canadians. The benefits of the research, the technology and what is done in Canada will be exported. If any main office is given an opportunity, and that main office is located outside Canada, then its primary interests will be outside Canada. If some Canadian in some firm which used to be independent and which has been bought out develops a new technology, a new device or a new mechanism, the main office will not let that stay in Canada for the benefit of Canadians.

It will be brought back to the main office and jobs will be created there. The money that we use for our research technology and our scientific development, the money we use to educate our youth will not be to the benefit of Canadians. It will be for the benefit of others who will be controlling our economy and our minds.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has expired.

Mr. Boudria: Madam Speaker, I rise on a point of order. My colleague from Renfrew has quite a profound speech he wants to make. I am now wondering about the wisdom of having him start at 5.59 p.m. Perhaps we could call it six o'clock and then my colleague could have a full 20 minutes tomorrow.

Mr. Hawkes: Madam Speaker, I too rise on a point of order. We would be quite happy to vote on the amendment at this point and then go back to the main motion for further debate, allowing the Hon. Member to speak tonight.

Mr. Hopkins: May I call it six o'clock, Madam Speaker?

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

UNEMPLOYMENT INSURANCE—CHANGE TO SYSTEM—EFFECT ON RURAL AREAS—EFFECT OF CHANGES ON NEWFOUNDLAND

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I rise today to express my dissatisfaction with an answer given by the Hon. Minister of Employment and Immigration (Mrs. McDougall) to a question that I raised in the House of Commons on April 17.

The Government of Canada, on April 11, established what it called its labour force development strategy. That is a euphemism for cutting back on UIC. This plan is in conflict with solemn promises made by the Government of Canada during the election campaign. I am sure, Madam Speaker, you being the non-partisan person that you are would want to be apprised of what the Minister responsible for external trade said during the election campaign. He said, and I quote:

> No one is planning any changes in the unemployment insurance program. There hasn't been any change proposed to us since we dealt with the Forget Commission. We are not contemplating any changes.

That is from *The Evening Telegram* of St. John's, Newfoundland of October 14, 1988, page 3. Now it is quite clear to me that no changes were planned to the unemployment insurance program.

As it turned out there were changes planned which will have a profound effect in many areas of our country, in particular on the people of eastern Ontario who are so ably represented in this House by my distinguished colleagues sitting around me.

In the Ottawa area, according to Employment Insurance Canada, the unemployment rate is 5.7 per cent. At the present time one must work 14 weeks in order to receive 46 weeks of unemployment insurance.

Under the proposed system one would have to contribute 20 weeks in order to receive 35 weeks of benefit. That is in conflict with the promise made to us by the Minister for external trade.

However, it goes beyond that. The fact that this Government has broken a promise is something that we expect from these Tories, but I refuse to accept the unfairness of this system. Even if it were true that where unemployment is lower warrants a tightening up of unemployment insurance rules, and I am not even saying that that in itself is an acceptable way of doing things, it certainly is not true in the constituency that I represent.

In Hawkesbury, Ontario, in my riding, the unemployment rate is 12.6 per cent. In Cornwall, in the riding of Stormont—Dundas ably represented by my colleague, the unemployment rate is 11 per cent. In Pembroke, so ably represented again by my colleague from Renfrew, the unemployment rate is 9 per cent. That 9 per cent unemployment rate has factors in it such as those living closer to Ottawa. The point is that the people of my riding are being asked to receive less unemployment insurance benefits because they are allegedly living in an area of low unemployment. I have just demonstrated that such is not the case. Unemployment is very high in the constituency I represent.

The Minister of Employment and Immigration, in an answer to a question I raised in the House on April 17, said that her colleague, the Minister of State, "announced that we would be revising the boundaries for unemployment insurance and that they will recognize regional differences".

Part of that answer may be correct. However, my question was specific. I want to know whether those boundaries will be changed before the new rules are applied. I want an ironclad guarantee for my constituents, as well as the constituents of Stormont–Dundas, Renfrew and elsewhere in eastern Ontario, that those rules will not be changed, the ones pertaining to UIC benefits, until they redo the map. Otherwise people living areas of 12 per cent and 13 per cent unemployment, such as the one my colleagues and I represent, will be punished by this unfair measure of the Government.

• (1805)

Today I am asking the Government to take this occasion to reassure my constituents about this very vital issue.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I welcome the opportunity to expand upon the reply given by the Hon. Minister of Employment and Immigration (Mrs. McDougall) to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on April 17.

The Hon. Member raised the issue of regional economic boundaries and wanted an assurance that people in rural areas would not be adversely affected by the proposed unemployment insurance changes.

With respect to regional boundaries, I want to inform the Hon. Member about the study initiated by the Hon. Minister of State for Employment and Immigration (Mrs. Vezina) in August 1988. I can assure the Hon. Member that this study of regional boundaries is still taking place. I am positive it will be completed long before the legislation passes the House.

About 23 per cent of unemployment insurance beneficiaries reside in rural areas, traditionally characterized by high unemployment rates. The proposed changes do not impact on high unemployment regions, and rural centres will continue to receive the same protection under the unemployment insurance program.

Indeed, the proposal will not increase entrance requirements nor reduce benefit entitlement where unemployment is highest. Moreover, the proposal eliminates the repeater provision to make it easier for seasonal workers to qualify.

I also want to bring the attention of the Hon. Member to aspects of the Labour Force Development Strategy announced by the Hon. Minister of Employment and Immigration on April 11. The Hon. Minister then proposed, among other things, additional funding for human resource planning, business development centres in designated communities, as well as assisting displaced and older workers. These initiatives and others take into consideration the specific labour market conditions of rural areas.

Adjournment Debate

CANADA–UNITED STATES FREE TRADE AGREEMENT–EFFECT ON AGRICULTURAL WORKERS–SUPPLY MANAGEMENT SYSTEMS

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, on April 4, in the House, I specifically asked the Deputy Prime Minister (Mr. Mazankowski) to set up programs which the Prime Minister (Mr. Mulroney) had promised to Canadians during the election.

The Prime Minister said at that time: "I want to tell Canadians we shall ensure that innovative and generous adjustment and retraining programs will be introduced whenever and wherever required".

Quite frankly, the Hon. Minister did not answer my question. I cautioned those in the House on April 20, 1989, that the food conglomerates like Heinz and Nabisco were threatening reduction in their labour force caused by free trade. In fact, the Council of Canadians, in its third report card on the Free Trade Agreement, listed 26 companies with a possible loss of 7,619 jobs due to companies moving to the United States or being taken over by mergers with other companies.

One does not need much imagination to estimate the dire consequences and complete demolition of communities around which these companies are built and of employees which make up these companies.

The Deputy Prime Minister has refused to recognize what is happening and is completely ignoring the need for any of the "innovative and generous adjustment and retraining programs" promised by the Prime Minister. The time is now, not tomorrow, not next week or the week after, for the Government to bring in the programs that were promised during the election.

My supplementary question concerns the well organized supply management systems we have in Canada, which I stress duly comply with the GATT laws. Unfortunately, the Deputy Prime Minister and the de Grandpré report totally ignored the importance of supply management to Canadians and Canadian farmers.

I am of the opinion, which is supported by many supply managed industries, that we should not dismantle these effective and working organizations. The Deputy Prime Minister stated that de Grandpré fully endorsed the concept of supply management. That is just it. It is a concept. It is a form only.

In reality free trade undermines supply managed systems at every opportunity. By introducing an unworkable two–price proposal, de Grandpré continues to chip away at the supply managed industries.

According to the Canadian Dairy Commission, the two–price system would create an artificial incentive for highly processed products. If dairies made cream cheese, for instance, they would pay the regular price for milk. However, if they made pineapple flavoured cream cheese, they could claim to be engaged in further processing and pay the lower rate.

• (1810)

Furthermore, such a system would be a nightmare to monitor. It would be impossible to regulate the procedure that de Grandpré has introduced. We do not have enough people now to monitor our present inspection system without creating another one.

The Consumers' Association of Canada does not think very much of the two–price proposal either. It believes that the recommendations amount to protecting processors and producers by dipping into the consumers' pockets. The National Farmers Union observes that the proposals are an attempt to Americanize Canadian agriculture. The Chicken Marketing Board is doubtful if a two–price system would work.

The report urged the chicken, turkey and dairy boards to hold meetings within six months with provincial agencies and processors to discuss a two–price system. If the boards refuse to consider a two–price system, the Government should permit higher annual levels of imports to help the processors. Talk about holding a club over the heads of producers. That is what chicken producers feared from the free trade deal in the first place. In fact, there is already a lot of U.S. produced chicken moving into Saskatchewan and it has already depressed prices.

The Deputy Prime Minister went on to say that the fact of the matter is that the supply management service is in place, and that what we have to do as a Government and as an industry is to ensure that the systems are preserved and enhanced. This a flagrant dichotomy if there ever was one. The national and provincial farm organizations representing poultry producers strongly oppose free trade. The Ontario Chicken Producers' Marketing Board, the Turkey Producers' Marketing Board and the Ontario Egg Producers Marketing Board maintain that the national supply management programs have served producers, processors, government and consumers well. They do not support this attempt to attack the supply management system.

The Ontario Hatcheries Association also supports the maintenance of supply management. Marketing boards opposed to any changes in the present tariff and non-tariff barriers include asparagus producers, tender fruit producers and grape growers. All these groups have pointed out that Ontario is at a significant climatic disadvantage when competing with American states, not to mention the variance in operation costs, wages and employment benefits.

Our system is a good one. It is not only good but it is functional. When I asked the Deputy Prime Minister for his response, he said that he was considering the de Grandpré proposals. That is not good enough. Throughout the election campaign, we listened to the Deputy Prime Minister say that he would have programs available for farmers. To date, we have seen nothing.

A couple of weeks ago, I became the godfather of Michael Barilla, a person from Hagersville whom I would be proud to see grow up to be a farmer. I cannot ask him to do that today, particularly with a Government which is not prepared to help farmers.

I see that you are signalling that my time is up, Madam Speaker. I would like to end by saying that we on this side of the House are prepared to do something for farmers. We are prepared to stand up for farmers and we are prepared to propose policies that we feel will help the farming community.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I would first like to thank the Hon. Member for Haldimand—Norfolk (Mr. Speller) for his concern regarding supply managed commodities under the Canada-U.S. Free Trade Agreement. I would like to assure the Hon. Member that Canadian farmers will continue to benefit from supply management programs in the new trade environment.

The Hon. Member said that the Government has done nothing for farmers. I can proudly say that the Government has probably done more for agriculture than any Government in history that either I can remember or the Hon. Member can remember. We have done what we said we would do for agriculture.

Under Article 710 of the Canada-U.S. Free Trade Agreement, both countries maintain the rights outlined in the General Agreement on Tariffs and Trade. These rights, which were reaffirmed just last week in Geneva, allow Canada to continue to operate domestic supply management systems.

• (1815)

In other words, we have retained our right to add products to the import control list if they threaten to undermine an industry operating under supply management. We have exercised this right. Since the agreement went into effect at the beginning of the year, the Government has expanded the import control list to include yoghurt, ice cream, and other dairy products, to ensure that our dairy markets are not disrupted.

The slight increase in import quotas for chicken, turkey, and eggs under Article 706 of the agreement should not be interpreted as a threat to the supply management programs operating for these commodities. The quota changes simply reflect actual imports required to meet domestic consumer demand over the past few years.

Mr. Speller: Come on.

Mr. Cardiff: That is correct, and the Hon. Member knows it.

The changes will have no impact on prices. Domestic producers still retain the exclusive right to supply almost all of the domestic market. Steps are also being taken to strengthen the supply management powers of the Canadian Broiler Hatching Egg Marketing Agency.

The Government intends to extend the authority of the agency to include the movement of chicks from unregulated provinces into provinces where the marketing of hatching eggs is regulated by the agency. This action will complete the national supply management system for broiler hatching eggs and chicks introduced when the agency was established in 1986. The Government established that agency.

My colleagues and I made a commitment to producers of supply managed commodities. We told them we would ensure that strong supply management systems continue to exist in this country as long as they are favoured by a majority of producers. The Government stood by this commitment when the Canada-U.S. Free Trade Agreement was negotiated. It continues to stand by it and the farmers.

Adjournment Debate

UNEMPLOYMENT INSURANCE—IMPACT OF—REQUEST FOR ASSURANCE WOMEN WILL NOT BE PENALIZED

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I rose in the House last week to question the Minister for Employment and Immigration (Mrs. McDougall) who is also the Minister responsible for the status of women. I asked her for guarantees that women would not be unduly hurt by the new cuts to the unemployment insurance program. She was unable to give me those guarantees.

How will these new outrageous UI penalties help women? How is cutting women off UI and plunging whole families into poverty good for women? The Government made these changes to help itself, certainly not to help women or other workers.

I am very much afraid that women will be penalized for quitting their jobs because they are being sexually harassed. They will have to suffer the new seven to twelve-week penalty. I am afraid that women who refuse employment while on UI because they cannot find child care or because the hours of work do not allow them to take care of family responsibilities will be punished by the Government through these new penalties. I am afraid that women who are fired due to some type of sexist discrimination will have to forgo UI benefits for which they have paid through their premiums. These women and their families will face up to three months with no income.

Women are not supposed to suffer penalties for those reasons. However, it is left up to an employment officer in a Canada Employment Centre to decide whether a woman has just cause to quit, or whether her refusing employment was for a good reason. I wonder how much training in women's issues these employment officers have received.

I would like to read into the record a letter sent to me by a woman in British Columbia. This letter was sent to her by an officer with Employment and Immigration in the UI program. Rose Marie Roux has given me permission to use her name. The letter is dated April 10, 1989 and it states:

Dear Rose Marie Roux

The following information is required to establish the permanency of your relationship. It is not to be construed as a moral issue.

Are you living common-law with your fiancé? If so, how long have you been living together? Have you set a definite date for your wedding? When was this date established? What is the date of your planned wedding? Are there any children involved?

Yours truly,
P. McLeod
Insurance Agent

This letter was sent from the Canada Employment Centre, 124 East Fifteenth Street, North Vancouver.

This is an invasion of privacy. It shows the insensitivity of the present system, yet the Minister did not choose to improve the system. Employment officers will be making arbitrary decisions about women's lives. The Minister was unable to guarantee that women would not fall through the cracks of the new system.

• (1820)

Women treated unfairly have the right to appeal, but what will they live on during the long appeal process? What will their children eat, Madam Speaker? These are serious questions that were not addressed by the Minister.

I am also very concerned that a woman unfairly treated at work and then unfairly treated by UI may just give up. Will she take on the UI system by herself? I raised these concerns in my supplementary question to the Minister but she skirted around them and was unwilling to give us a straight answer. The Minister patted herself on the back for bringing the unemployment insurance parental leave benefits in line with the Charter of Rights and Freedoms. Denying benefits to natural fathers while giving them to adoptive fathers is discrimination that should never have taken place in the first place.

The Government's policy forced a decision on young families that it must be the natural mother and not the natural father, if that was their choice, who could care for the children. Is this what the Minister was being self-congratulatory about, the fact that for years this Government practised an unconstitutional policy? Perhaps it was the fact that it took the case of Shalom Schachter, who took the Government to court on this issue and won, thus forcing the Government to change its discriminatory practices. Maybe the Minister is proud of the fact that the Government initially appealed the Schachter decision to try to rob further natural fathers of the benefits which they should have been receiving all along.

What is lost in the whole parental benefits debate is that the Minister cut adoptive leave benefits from 15 weeks to 10 weeks.

The Minister stated that her new UI scheme would benefit immigrant women and that this Government had done a lot for immigrant women. That may be the Minister's position, but the National Organization of Immigrant and Visible Minority Women does not think so. It does not think the Government has done anything positive for immigrant women. If the Government cares so much about immigrant women, why does it not remove the long-standing discrimination against immigrant women inherent in its language training programs? How can immigrant women benefit from the Minister's job training if they do not have language skills?

I am concerned about the type of job training the Minister speaks about. Does the Minister mean subsidization of wages for for low skill occupations? The Government has been less than honest all along about the UI program. The Conservative Party did not campaign on the platform of "elect me and I will slash the UI program", but that is what it has done.

Of course, more and better training is necessary, especially after the devastating effects of free trade on women's jobs in Canada, but these training programs should not come at the expense of those in our society who can least afford it.

Mr. Bill Kempling (Parliamentary Secretary to the Minister of Employment and Immigration): Madam Speaker, one of the difficulties in replying to these matters is that those raised by the Member on the late show are not the matters that were addressed when the question was first raised in the House.

I welcome the opportunity to expand on the reply given by the Hon. Minister of Employment and Immigration (Mrs. McDougall) to the Hon. Member for New Westminster—Burnaby (Ms. Black) on April 12. The Hon. Member wanted an assurance that women will not be adversely affected by the proposals contained in the policy paper tabled by the Hon. Minister of Employment and Immigration on April 11.

Women will be among the chief beneficiaries of the amendments introduced in the UI program as part of the labour force development strategy. The changes brought to maternity and parental benefits represent a breakthrough for Canadian social policy.

In 1988 more than 120,000 families benefited from the income protection offered by the UI maternity benefits. The changes we have proposed will enhance the protection currently available to women by making receipt of these benefits more flexible and by providing 10 weeks of parental benefits to new parents. These measures also correct some of the unfairness which existed in the application of the current program.

• (1825)

For example, women who must claim both sickness and maternity benefits in the same year will no longer have their duration of benefits limited to 15 weeks. They will now benefit from the full income protection they are due.

Thousands of women have benefited from programs offered under the Canadian Jobs Strategy introduced by this Government in September 1985. During the 1987–88 period more than 160,000 women, youth and disadvantaged workers participated in programs under the job entry component of the Canadian Jobs Strategy. The increased emphasis on active spending will further benefit women by providing them with opportunity to acquire the skills necessary to get a good job.

Another element of the labour force development strategy is an expansion of the program to encourage self-employment and entrepreneurship.

I might note that the Canadian Federation of Independent Business tells us that there are more women entering business as entrepreneurs in the last couple of years than there are men. These programs will also benefit women.

A recent study by Statistics Canada showed that since 1975 the number of self-employed women has been rising three times as fast as the number of self-employed men. By 1986 women's share of total self-employment had reached 27 per cent, up from only 19 per cent in 1975.

The measures introduced regarding voluntary quitters without just cause will have no effect on women who must leave the job with cause. Women who face circumstances such as sexual harassment, the transfer of a spouse to another city, or unsafe working conditions, will continue to have full access to UI benefits.

I can assure the Hon. Member that the labour force development strategy is intended to benefit women. These new proposals, combined with the Government's commitment to employment equity goals and action plans in the private sector, will ensure the continued integration of women in the labour market.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, April 26, 1989

The House met at 2 p.m

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

INDUSTRY

CLOSURE OF LASER SAILBOAT COMPANY, HAWKESBURY, ONTARIO

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, earlier this year, the world famous Laser Sailboat Company of Hawkesbury, Ontario, was forced into receivership, and closed its doors. In March, the receivers and creditors found a purchaser for the financially beleaguered company.

The purchaser in question, Pearson Yachts, at the urging of the Ontario Development Corporation initially promised to keep 20 to 30 jobs in Canada to build both the Pearson and Laser sailboats.

However, Pearson has now changed its mind and will manufacture all its boats in Portsmouth, Rhode Island. Without a foreign investment review mechanism which this Tory Government cancelled, there appears to be no way to force Laser to stay in Canada much less in Hawkesbury.

An Hon. Member: Shame!

Mr. Boudria: I call upon the Government of Canada to intervene and to set in place mechanisms to keep Laser in Canada. Laser is as Canadian as the Maple Leaf. Let us keep it in Canada, and especially, let us keep it in Hawkesbury.

* * *

FISHERIES

EFFECTS OF DRIFT-NET FISHING

Mr. Stan Wilbee (Delta): Mr. Speaker, the practice of drift-net fishing in the North Pacific is one that threatens both the environment we treasure and a salmon resource many British Columbians rely on for their livelihood. It is estimated that these nets kill at least one million seabirds each year, along with 20,000 porpoises, tens of thousands of seals and a number of whales. Over 30 different species are involved in this eco-system that is being plundered daily by drift-netters.

In addition to the environmental tragedy, it is estimated that between 20,000 and 30,000 tonnes of salmon are caught illegally each year while fishermen drift-net for squid. This has fuelled a thriving salmon industry in southeast Asia, where a tin of sockeye can sell for half the price it does in B.C. When only half of the 30 million pink salmon expected to return to B.C. rivers actually make it, it is not difficult to see that a tremendous problem exists. In order to get maximum benefit from the tremendous job the Government has done in the area of salmonid enhancement, we should start getting tough with the nation showing a reckless attitude towards our environment, while taking a resource that rightfully belongs to Canada.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

FISH-PROCESSING INDUSTRY IN B.C.—ALLEGED LOSS OF JOBS

Ms. Margaret Mitchell (Vancouver East): Last year the Minister for International Trade refused to stand up for B.C. fisheries and shore-workers to oppose the GATT ruling that denied Canadians the right to process our own fish. The Minister of Fisheries promised an alternative protection so that no jobs would be lost.

Bowing to American pressures, the Mulroney Government agreed to conform without a fight to protect thousands of jobs for B.C. shore-workers.

Some Hon. Members: Shame, shame.

Ms. Mitchell: In Vancouver East alone, hundreds of native and immigrant women will lose decent paying union jobs as a result.

Yesterday's announcement put it in writing. The Government has removed export restrictions on unprocessed herring and pink and sockeye salmon. This sell-out breaks all Conservative promises to preserve B.C. shore-workers.

British Columbians must strongly protest the sacrifice of our fishing industry to U.S. pressures and demand the resignation of the responsible Ministers.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SMALL AND MEIDUM-SIZED BUSINESSES

GALA PRIMAS '89

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, the first gala recognizing the excellence and dynamism of businesses in the des Moulins region, *Gala Primas 89*, was held in my riding this March.

On this occasion, small businesses in my constituency, like Servtrotech, Celtech, Techni-Quilles, the des Moulins Restaurant-Hotel, Confection Magi-Ro, the F.L. Group and Habitations du Boisé d'en haut, were recognized for excellence in their respective fields.

In addition, Mr. Speaker, Denis Boisvert had the pleasure of seeing his company, Fibrex, which specializes in the manufacture of fibreglass articles, awarded the "business of the year" honour.

Mr. Speaker, I also wish to point out to this House the excellent initiative of the des Moulins Chamber of Commerce and its president Claude Hamer, as well as the wonderful work done by the organizing committee chaired by Mr. Harvey. They did an outstanding job.

Mr. Speaker, the *Gala Primas* is now a reality in my riding and in a few years, it will surely become an excellent tradition for all the dynamic small businesses of this region.

* * *

[*English*]

REGIONAL DEVELOPMENT

ERDA—RENEWAL OF AGREEMENTS IN P.E.I. REQUESTED

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the people in my province are hoping the Finance Minister's (Mr. Wilson) axe will miss a set of spending agreements that help keep the Prince Edward Island economy afloat. Seventy-eight million dollars in ERDA programs expired March 31, and all Islanders, including farmers, fishermen and tourist operators, are awaiting the Government's verdict on their future.

One such program, the Tourism and Marketing ERDA, is a target for government cut-backs. Such a cut would cost jobs and expansion in an industry which is helping Prince Edward Island catch up with the rest of Canada. I urge the Government not to cut this program or any other ERDA but rather to renew these agreements and index them to inflation. Only by such an action will this Government prove to the people of Prince Edward Island that it is serious about regional development.

Some Hon. Members: Hear, hear!

* * *

MUNICIPAL AFFAIRS

DECISION TO BAN ARMX EXHIBITIONS IN OTTAWA

Mr. Benno Friesen (Surrey—White Rock): Mr. Speaker, Ottawa City Council, smug and secure behind the protection which this country and its alliances provide for it, last week voted not to let ARMX have exhibitions here in the future.

Some Hon. Members: Hear, hear!

Mr. Friesen: I hope I get extra time for that, Mr. Speaker.

An Hon. Member: Solid support.

Mr. Friesen: They did this in their belief of support for peace and respect for human rights. Presumably, in the interest of consistency, peace and respect for human rights, the next move will be to disarm the Ottawa Police Force, an area—

Some Hon. Members: Oh, oh!

Mr. Friesen: —that is much closer to their responsibility.

Some Hon. Members: Shame, shame!

* * *

AGRICULTURE

EFFECT OF GATT DECISION ON SUBSIDIES TO DAIRY FARMERS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise under the provisions of Standing Order 31 to express my dismay about the Government's betrayal of our Canadian dairy industry at the mid-term review of multilateral trade negotiations of GATT concluded in Geneva this month. Not only have subsidies and returns been frozen but the dairy industry itself has been under attack from a U.S. challenge to the inclusion of ice-cream and yogurt on the Import Control List. If this challenge is successful it will have a devastating impact on other sectors of the agriculture economy because of the precedent that it will set.

• (1410)

I ask the Government to stand up to the United States negotiators and to expose the hidden, indirect subsidies that are available to their farmers through feed companies, grain elevators, fertilizer companies, et cetera.

For example, a dairy farmer in St. Clair County, Michigan with 44 cows will receive approximately $10,000 worth of subsidies in the form of feed. A wheat farmer with 40 acres of wheat will receive three tonnes of ammonium-nitrate fertilizer, all paid for by the United States Treasury.

This is not a level playing field but a massive erosion of the most sophisticated marketing system of any country in the world. We lost our two-price wheat system. The Government took oats from under the jurisdiction of the Canadian Wheat Board. We are losing our wine industry, and now dairy and poultry are being challenged through GATT.

I call on the Government to promote and to strengthen the Canadian farmers who supply our Canadian consumers with a continuing supply of high quality food.

* * *

[*Translation*]

LA FRANCOPHONIE GAMES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, a delegation from Canada will be in Morocco July 8 to 22 for the first Francophone Games. The delegation will be in three distinct parts: Canada, Canada—Québec and Canada—New Brunswick. This formula recognizes Canada's traditional participation as a single entity in the French-speaking world and international games, as well as the presence and special recognized contribution of Québec and New Brunswick in the Francophone community and its institutions.

Mr. Speaker, I repeat the words of Québec's International Affairs Minister, Paul Gobeil, who says he is satisfied with the agreement because it allows Québec to keep its place in the French-speaking world and it shows other nations that we are a united country where Québec, a Canadian province, has a place within the Canadian federation.

[*English*]

FISHERIES

LANDING AND INSPECTION REGULATIONS – ALLEGED LOSS OF JOBS IN B.C.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, on behalf of the federal New Democrat caucus I move for the removal of the Minister of Fisheries (Mr. Siddon) from Cabinet for failing to bring forward regulations which would have saved the B.C. fishing industry.

The landing and inspection regulations which were brought forward by the Minister will lead to the wholesale exportation of the herring and salmon industry worth $750 million, and will cost us thousands of jobs in B.C.

In the absence of Canadian grading and gutting rights, foreign buyers will intercept B.C. salmon and herring when they are landed. Canada's sovereign rights have been trampled and British Columbians will be the losers.

We point to the fatal flaw in Chapter 12 of the Free Trade Agreement wherein Article 1203 gives protection to the fishing regulations of Quebec, P.E.I., Nova Scotia, Newfoundland and New Brunswick—but not to B.C.

The new Conservative regulations will see foreign buyers snapping up B.C. fish prior to proper grading and processing. While B.C. presently leads world markets in price and quality, the new regulations open the door to low-quality grading and processing outside the B.C. industry.

Up to 7,500 jobs are at risk. Entire coastal communities are placed at economic risk. An entire industry could collapse from the piranha-like activity of foreign buyers—

Mr. Speaker: The Hon. Member's time has expired.

* * *

HOUSING

OPENING OF NON-PROFIT HOUSING DEVELOPMENT IN ST. ANDREWS, NEW BRUNSWICK

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it was indeed an honour and privilege for me to participate recently in the opening of Quinn House in St. Andrews, New Brunswick on Saturday, April 22.

This non-profit housing development was built and funded by the Government of Canada, the Province of New Brunswick, and the New Brunswick Masonic Charities and Housing Company Limited.

The New Brunswick Masonic Charities and Housing Company is an offshoot of the Grand Lodge of Free Masons, which was formed specifically with the role of providing low-cost housing for senior citizens. I am delighted to see this kind of co-operation between the federal, provincial and non-profit organizations.

I call upon Canadians to get involved in the field of non-profit housing because working together we can improve the quality of housing for all Canadians.

* * *

FISHERIES

EFFECT OF NEW REGULATIONS IN B.C.

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, the new fish-landing regulations in British Columbia are the latest example of the Government's rushing headlong to satisfy, to pacify, to please its American masters at whatever the cost. We saw the same type of pandering on the Free Trade Agreement. We saw it in a similar vein between Canada and France in relation to Newfoundland a couple of weeks ago.

At least the Minister of Fisheries (Mr. Siddon) has been consistent this time. He is socking it to B.C. the same as he socked it to Newfoundland the first time around. The Fish Council of B.C., the Native Brotherhood, and at least one of the unions find this completely unacceptable. It is no wonder. It gives complete and unfettered access to unprocessed fish by the Americans—not at all what the Government promised to deliver.

It is the latest example of how the Government has caved in to the Americans one more time.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

NATIONAL DEFICIT—ELECTION CAMPAIGN PROMISES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I just caught the Prime Minister's attention. He was doing a head count.

My question is on a serious note. It is addressed to the Minister of Finance. On November 10, 11 days before the last election, the Minister of Finance had this to say: "Conservatives have made spending commitments—"—not promises but spending commitments—"in those reserves, we have sufficient money to handle the announcements."

Those announcements amounted to $17 billion. Eleven days before the election the Minister of Finance said that he had sufficient financial reserves to cover those announcements. Then suddenly after the election, and as he comes up to his Budget, he says that we have a debt crisis in Canada.

That is nothing of course compared to the Prime Minister. Late during the campaign he said: "We have dealt with the deficit."

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): "You've got promises, all are within Michael Wilson's fiscal framework. Every nickel has been accounted for."

Every nickel has been accounted for. What a phoney—what a pair of phoneys!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What kind of deceitful scam was the Minister practising at the expense of the Canadian taxpayer, the Canadian electorate, when he was so free with his vocabulary during the election campaign?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it seems to me that in the lead-up to that same campaign we had 40 promises, which added up to some $24 billion from that Party.

An Hon. Member: Answer the question.

Mr. Duhamel: What about yours?

Mr. Wilson (Etobicoke Centre): They should think back to that time, Mr. Speaker. I know that it bothers Hon. Members opposite.

Let me remind them of the child care announcement. What did we do? We started off at $5 billion—

Some Hon. Members: Oh, oh!

Mr. Duhamel: What about your commitment?

Mr. Wilson (Etobicoke Centre): Before the sun had set on that day, we were up to $7 billion. A couple of days later, it was up to $9 billion. Members opposite seem to have short memories.

Let me also remind Members opposite that any time that I was asked a question on the deficit—and I got a number of questions on the deficit—

Mr. Marchi: Your nose grew!

Mr. Wilson (Etobicoke Centre): Starting back in 1984 with the economic statement on November 8, 1984, going right through every Budget, I talked about the importance of debt, the importance of addressing the deficit, of getting the annual deficit down each year. I said that that commitment continues. That commitment will continue in the next mandate—

Mr. Marchi: There goes the nose again!

Mr. Wilson (Etobicoke Centre): —because we in this Party understand its importance and are committed to dealing with it.

• (1420)

Mr. Turner (Vancouver Quadra): The Minister ought to recognize that the Canadian people are going to hold him accountable for the finances of this country. During the election campaign on several occasions, he called me a liar. Before he stands up tomorrow afternoon in this House, let him look in the mirror.

[*Translation*]

INTEREST RATE INCREASES—ELECTION CAMPAIGN PROMISES—GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance has the nerve to tell Canadians that he misled them during the election because he did not know that interest rates would go up. He made so many erroneous statements last year that he forgot a few. Last year, he told Canadians that interest rates would be around 7.8 per cent when he brought down his Budget in 1989. Well, it is 1989, and interest rates are as as 12.6 per cent.

The Minister did not tell us the truth during the election campaign. Could he explain to the House today why he misled us about interest rate levels during the election campaign?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us not go back and relive the election campaign.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I will say to the Hon. Member, the Leader of the Opposition, that character assassination did not work in the election campaign, and it is not going to work here.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition talks about projections of interest rates. He knows the difficulty of projecting interest rates. I think that before the Leader of the Opposition laughs too hard and too long, he should go back to some of the things he said when he was Minister of Finance because he was far, far more off-track with his projections than I ever was.

But let us go back to the fall. We had a mixed period in the economy. There were some signs of a strong economy, but some signs of a weak economy. We had a period of four or five months when there was no employment growth. Housing starts were on their way down. We had the uncertainty about what was going to happen in the United States. The election was just under way in the United States. No one understood what was going to happen then. Those are the uncertainties. Those are the unknowns that people have to encounter in making these projections, and the Hon. Member understands that.

Mr. Simmonds: Your nose is getting longer and longer.

Mr. Wilson (Etobicoke Centre): Since we started this year we have had quite an increase in the interest rates, and that is what has led to the problems that we are facing today, problems that we are determined to face and which the Party on the other side totally ignored, totally swept under the carpet and never faced up to.

ELECTION CAMPAIGN STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, all that is from a Minister of Finance who in four short years has doubled the public debt of this country from $170 million to $330 billion. I ask the Minister, why is it that he having had possession of the public books of this country, having known what the public debt was last year in the fall during the election

campaign, having known the extent of the national deficit, having known that interest rates were going up, why did he not come clean with Canadians then rather than telling them now suddenly that we have a debt problem?

An Hon. Member: You are still a loser, John.

Mr. Simmonds: Your nose is getting longer.

Mr. Wilson (Etobicoke Centre): The nose of the Hon. Member from Newfoundland is right across the floor of this House. It is so long from the things that he has been saying.

Let me give the Leader of the Opposition a simple—no, no, we will give him a simple lesson. We will give the Leader of the Opposition a simple method in fiscal policy, something that he never learned when he was the Minister of Finance himself. The Hon. Member says that the debt has gone up during our term of office.

Mr. Turner (Vancouver Quadra): Double the money.

An Hon. Member: More than double.

Mr. Wilson (Etobicoke Centre): I ask the Members opposite, why does the debt go up?

Mr. Turner (Vancouver Quadra): You tell us.

Mr. Wilson (Etobicoke Centre): The debt goes up because there are annual deficits. We have brought the deficit down every year since we have been in office.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): And if the Hon. Member, the Leader of the Opposition, is so concerned—the Leader of the Opposition knows what a wooden nickel is because that is all he has been handing around for the last four years.

Some Hon. Members: Hear, hear!

* * *

REGIONAL DEVELOPMENT

IMPACT OF HIGH INTEREST RATES ON ERDA PROGRAMS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. The Governor of the Bank of Canada has recognized that the high interest rates policy that this Government has been pursuing has a particularly adverse impact on the less affluent regions of Canada. He has urged the Government to offset that adverse impact with regional development assistance. Regional development programs have, however, either been suspended or cut by this Government, not increased to offset the impact of high interest rates. Will the Minister assure Canadians today that regional development programs will be fully maintained?

Hon. Michael Wilson (Minister of Finance): The Hon. Member understands that the day before a Budget, I cannot get into things that are possibly going to be referred to in that Budget. For that reason he knows that I cannot give an answer to that. But the point that I want to make is that we on this side of the House understand that the right way to get the interests rates in this country down is to follow good economic policies, policies that are going to lead to a reduction in the inflationary pressures, and that will get down the interest rates on a permanent basis. That will lead to a healthier economy.

CUTS IN PROGRAMS IN ATLANTIC CANADA

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister of Finance has said that we must wait for the Budget to hear about regional development programs being cut, but the fact is that in Atlantic Canada, for example, regional development subsidiary agreements have already been suspended or terminated in Newfoundland, Prince Edward Island and Nova Scotia. Those are not programs for the Atlantic Canada Opportunities Agency, they are programs for joint federal–provincial funding. Will the Minister assure Canadians today, without waiting for the Budget, that federal support for these programs will be restored and fully maintained?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know that that question is any different from the previous question. The answer is still the same.

* * *

FISHERIES

FISH PROCESSING INDUSTRY IN B.C.—EFFECT OF GATT REGULATIONS ON JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Prime Minister. In today's *Canada Gazette* there is a regulatory announcement that will directly and negatively affect 7,500 existing jobs in British Columbia.

My question pertains to a commitment made by the Government of Canada in the fall of 1987, following a GATT ruling on the West Coast fishery in which the then Minister of Fisheries made the following promise to me in the House about fish processing jobs: "Fish processing jobs are not going to be jeopardized in any way". This was repeated by the Minister for International Trade last spring.

I have obtained from the Department of Fisheries and Oceans this morning an assessment of the regulations that were tabled today. Its own assessment points out that they will affect the raw material supply for processors which will lead directly to the export of jobs in this industry from Canada. A commitment was made in the House in the fall of 1987 to protect this industry. It was repeated in the spring of 1988. Why has the Government completely abandoned its commitment to 7,500 working Canadians in British Columbia?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, this gives me an opportunity to review some of the history of the GATT panel which was brought against Canada. Canadian processors were buying Alaska salmon and Alaskan processors were asking for the same privilege. At that time a GATT panel was brought against Canada and they found in November, 1977, that Canadian regulations were not in accordance with the GATT. Accordingly, in March, 1988, Canada adopted the request of GATT, but at the same time made a commitment to the fishermen and the fish industry of the West Coast that regulations would be brought in, which have been brought in, to land salmon and herring in British Columbia for conservation purposes. That has been undertaken and our commitment to the fishermen on the West Coast has been upheld.

Mr. Broadbent: Just a minute ago, in reference to another question, the Minister of Finance said that the Leader of the Opposition had a short memory. Let me say that this Minister has a short memory in terms of the promises made by the Government of Canada on this issue.

LOSS OF JOBS FROM BRITISH COLUMBIA TO UNITED STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the promise not by one Minister but by two Ministers, was that the new regulations that would be brought in to protect the jobs in British Columbia would ensure that grading and quality control would continue to be done in Canada. According to the regulations that have just come out, the Government has yielded to American pressure to abandon that and to get rid of those two specific commitments that would have kept those jobs in Canada. It will lead very directly, as he knows, because it is part of the Free Trade Agreement, to the transfer of these jobs directly from British Columbia to the United States. Why?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I seem to remember that this was the same Leader who predicted the loss of 200,000 jobs when the Minister of Finance brought in his economic statement in 1985. That is how accurate he is in predicting job loss.

Some Hon. Members: Hear, hear!

Mr. McDermid: I can tell the Hon. Member that there will not be job losses—

Some Hon. Members: Oh, oh!

Mr. McDermid: —that the salmon and herring industry will remain viable on the West Coast. The landing requirements are perfectly GATT-consistent.

I might also say that this is the same Leader who went around the country saying that our salvation in trade is in the GATT. The first time a GATT panel comes against Canada he wants to forget it.

ELECTION CAMPAIGN COMMITMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister may not like my predictions, but I have a document from the Department of Fisheries and Oceans which I received this morning. Its words, not mine, are as follows: "This will affect the raw material supply for processors". The same paragraph states: "The revocation of the export restrictions could result in an increased number of landing stations and—"please note: "—the export of large quantities of unprocessed fish". When large quantities of unprocessed fish are exported, British Columbia jobs are exported with them. That is the reality.

My supplementary question is directed to the Prime Minister. Since it was not that Minister but the Minister for International Trade and the Minister of Fisheries who made the commitment in the House that these jobs would be protected and the new regulations would keep these jobs in British Columbia, why has the Government of Canada sold them down the drain?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Canadian Government has not sold out the West Coast fishermen. That is a silly statement by the Hon. Leader of the New Democratic Party, and he knows it.

An Hon. Member: You gave it away.

Mr. McDermid: He is grandstanding on this and he knows it. We brought in requirements consistent with GATT, the GATT which he supports, to land the salmon and herring for conservation purposes in this country. That goes a long way to help the fishing industry on the West Coast, and the Hon. Member knows that. He is just grandstanding today.

* * *

FISHERIES

REQUEST THAT NEW REGULATIONS BE REVOKED

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I am reluctant to direct a question to the same Minister, so I will direct it to the Secretary of State for External Affairs or the Prime Minister. We cannot get a proper answer from that Minister who said this decision will help the fishing industry in the West Coast.

I have a statement by the President of the Fishery Council in British Columbia, by the Native Brotherhood of British Columbia and by the United Fishermen and Allied Workers, the three major organizations in British Columbia that speak for the fishing industry. They say that we will lose $200 million worth of products and 1,000 jobs. That is the statement by the industry.

Therefore, will the Government change the regulations and restore to that industry the viability which is taken away by this decision?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am glad to have a question from the Hon. Member. He and I have debated trade issues over the last two and a half years. I notice that his figure of 1,000 jobs is 6,000 less than that given by the Leader of the New Democratic Party. You should get together on your estimates.

Mr. Allmand: Answer the question.

Mr. McDermid: The estimates of the Liberal Party have been wrong all the way along with respect to job losses and all these agreements that this Government has negotiated over the years anyway. It is not a surprise to me today.

The Hon. Member is another great supporter of GATT. He travelled throughout the country. I saw him on the *The Journal* and elsewhere telling us that the GATT is our salvation. But the minute something is brought against us by the GATT, he is on his feet telling us to forget the GATT and get rid of it. You can't do that.

Mr. Allmand: He never said that.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I just want to correct the record. They are not my figures, they are figures obtained directly from the representatives of the fishing industry in British Columbia, the people who know what is at stake. Their jobs are at stake. It is clear that the industry involved finds that these regulations will be punitive and that there will be a major loss of jobs in British Columbia. I point out to the Minister that the Government gave away the right to impose an export tax, which is a legitimate means under the GATT to protect Canadian workers and the Canadian processing industry. The Government is responsible for this decision. The Government must rescind the decision.

REQUEST THAT REGULATIONS BE CHANGED

Hon. Lloyd Axworthy (Winnipeg South Centre): My supplementary question is directed to the Prime Minister. Will he take a stand to change these regulations and preserve those jobs?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, it is interesting to note what the Hon. Member is quoting because it says nothing about salmon at all in this press release from the Fisheries Council. It just refers to herring. The herring season is now over, as the Hon. Member will know if he knows anything about the West Coast fishery. We have made a commitment to the herring fishing and processing industry that we will bring in GATT consistent measures to ensure that the herring roe industry on the West Coast remains viable. We have made that commitment to them and we plan to stand by it.

* * *

• (1440)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF NEW ZEALAND

Mr. Speaker: I wish to bring to Hon. Members' attention the presence in the gallery of The Right Hon. David Large, Prime Minister of New Zealand.

Some Hon. Members: Hear, hear!

THE BUDGET

SALES TAX REFORM

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, it is obvious that the Minister of Finance is so out of touch with reality that he does not realize that the majority of Canadians, not counting the working poor or those people on fixed incomes, can just barely cope from payday to payday as it is now. How can ordinary Canadians cope with this new sales tax? Does the Minister not feel ashamed of himself to have to lay out $162 for a new pair of Hartt brand shoes when that is the average unemployment insurance cheque for a family for a whole week? He should come in barefoot to deliver his budget because that is how many Canadians will be after this tax.

Some Hon. Members: Take them off!

Mr. Axworthy (Winnipeg South Centre): But keep your socks on, Mike.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member would like me to take my socks off. The Hon. Member is making an interesting observation. He is criticizing, before he has even seen the details, the reform that we propose to make in our sales tax system. I do not want to embarrass people who are sitting in the gallery, but the sales tax reform that was introduced in New Zealand some three years ago has been a great success. It has been regarded as being fair and equitable and it has been regarded as being an important element in improving the efficiency of the economy. These are all the reasons we want to proceed with sales tax reform and help the people to whom the Hon. Member is referring.

Some Hon. Members: Ask him the question.

Mr. Speaker: I am terribly tempted to let the right hon. gentleman enter into the debate. However—

REFUNDABLE SALES TAX CREDIT

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this is not New Zealand.

Some Hon. Members: Hear, hear!

Mr. Baker: The Minister is talking about a tax rebate, but how are ordinary Canadians supposed to live in between the rebates? As well, the tax is on all services so that means that transportation is taxed and handling is taxed. It means that the people who live the furthest away from an industry will pay more of the tax.

I would like to ask the Minister who has fancy luxury Hartt brand shoes how he expects Maritimers and Newfoundlanders who presently pay the highest sales taxes in Canada—in Newfoundland it is 12 per cent—to pay any new tax, especially more of a new tax than other Canadians? The only heart and soul this Minister has is in his shoes.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my shoes were made in New Brunswick.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): What has the Hon. Member got against the artisans of New Brunswick? I am trying to support an industry in his region of the country.

As I watched the histrionics of the Hon. Member, it occurred to me that we should make sure that acting lessons for politicians are fully taxed.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member raises a serious question. He is asking about the refundable sales tax credit. I have talked about the refundable sales tax credit for two years now. I have said that this is an important part of sales tax reform. It will be paid regularly to people in lower income brackets. An important point for the Hon. Member to note is that it will be paid in advance so that people will be in cash before they have to pay the tax.

* * *

FISHERIES

FISH PROCESSING INDUSTRY IN BRITISH COLUMBIA

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I would like to return to a matter that is very important to all British Columbians, particularly West Coast fisher-people. There are women who work in the industry as well as men. I must say that British Columbians who are watching this on television must be dismayed because the Prime Minister did not budge in his seat when these questions were directed to him.

My question is directed to the Secretary of State for External Affairs. Today, when these regulations were promulgated, it was noted in the regulations under consultations on page 3 that consultations had been carried out with the Departments of External Affairs, Privy Council, Justice and Finance, all of whom support this initiative. When these negotiations were taking place, New Brunswick was excluded, Newfoundland was excluded, Nova Scotia was excluded, Prince Edward Island was excluded and Québec was excluded. The only province that was not excluded was British Columbia. Why was that decision made by the Government?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I assume the negotiations the Hon. Member is talking about are the free trade negotiations, although he did not say that in his question. I assume that is what he is talking about. However, this has nothing to do with the Free Trade Agreement. This is a GATT panel that was brought against Canada long before the Free Trade Agreement was being negotiated or signed.

FREE TRADE AGREEMENT—STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, that is why I asked the Secretary of State for External Affairs the question. The Secretary of State for External Affairs made a public statement in the Province of British Columbia on December 18, 1987, that there is no room to move within the terms of the Free Trade Agreement.

Mr. Andre: This is GATT, Davey, GATT, G-A-T-T, GATT.

Mr. Barrett: For reasons internal—

Some Hon. Members: Question!

Mr. Barrett: All the nonsense will not pacify the people of British Columbia.

Some Hon. Members: Oh, oh!

Mr. Speaker: I would ask Hon. Members to let the Hon. Member put his question. I would ask Hon. Members to let the Hon. Member who is putting his question, put his question, and I would ask the Hon. Member to put his question.

• (1450)

Mr. Barrett: Mr. Speaker, the concern is for the people of British Columbia, not the Members here in the House.

The Secretary of State for External Affairs said that for reasons internal to their country they, the Americans, were prepared to give the East Coast and were unprepared to give the West Coast. You admit in this statement that it was the Free Trade Agreement—

Some Hon. Members: Order.

Mr. Barrett: Why didn't you protect British Columbia?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Hon. Member should understand that we have been having consultations with the fishing industry and with the Government of British Columbia for the last number of months.

Mr. Barrett: They rejected it.

Mr. McDermid: The Hon. Member may be speaking a little early when he makes statements like that.

I can say that our Government made a commitment to the fishermen and the processors on the West Coast that we would bring in regulations for landing requirements which means that every salmon caught, and every herring caught, will have to be landed in British Columbia for inspection and for grading—

Mr. Broadbent: For quality control.

Mr. McDermid: —and for biological testing. Those consultations took place with the British Columbia Government.

Mr. Barrett: Those jobs are gone, and they disagree with you completely.

Mr. McDermid: If the Hon. Member looks at the press release, he will notice that they are not concerned about salmon at all. They are talking about herring. We have made a commitment to the processors of the herring roe industry on the West Coast that we will in fact bring in GATT-consistent regulations to protect that industry.

Mr. Barrett: Let's hear from the Prime Minister and the Minister. That's nonsense, absolute nonsense. You don't give a fig about British Columbia. You don't care about British Columbia, and he doesn't know where it is.

Mr. McDermid: The former Premier of British Columbia is sitting there babbling like an idiot.

Mr. Barrett: He is the Prime Minister of the whole country, not just Québec. You stand up and speak for British Columbia. Shame.

* * *

CANADIAN WHEAT BOARD

INITIAL PAYMENTS TO FARMERS

Mr. Doug Fee (Red Deer): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds.

Farmers in my riding and across the country are preparing to seed their crops. In the past the Minister has made it a practice to announce initial Wheat Board payments in late April in order to help farmers make better informed business decisions.

Is the Minister prepared to announce the initial payment, and if so, can he share it with the House?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we have just released the initial payments—

Some Hon. Members: Oh, oh!

Mr. Speaker: A very succinct answer. The Hon. Member for Cariboo—Chilcotin.

* * *

THE ENVIRONMENT

DISABLED TANKER OFF B.C. COAST

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, my question is directed to the Minister of the Environment.

I understand there is a possibility that there is a tanker floating off the coast of British Columbia. I would like to know the following.

First, can the Minister confirm this? Is there a risk to the waters or the coastline of British Columbia? What action is being contemplated?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I heard from the former Premier of British Columbia that he is very worried about what happens in his province, and I would like to answer the question that concerns British Columbia.

This morning at 11.13 the 70,000 tonne dead-weight tanker, *Exxon Philadelphia*, was broken down and drifting away from the entrance to the Strait of Juan de Fuca in a northwesterly direction. It is presently approximately 12 miles off shore. There is no pollution and there are no injuries. The vessel is reported to be carrying 70,000 tonnes of crude oil from Alaska to Anacortes, Washington.

Three Canadian naval destroyers which were exercising in the Strait of Juan de Fuca have been dispatched to the scene. The current draft prediction is that with the existing weather conditions the ship will drift only two nautical miles.

REQUEST FOR PUBLIC INQUIRY INTO TANKER SAFETY

Mr. Jim Fulton (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. I think the Prime Minister is aware of the Valdez oil spill, and he is aware of the oil that washed up on the West Coast of Vancouver Island. He is also aware of the two leaks from the *Stuyvesant*. I hope he is now aware of the *Exxon Philadelphia* floating 10 miles off Vancouver Island.

Will the Prime Minister show the initiative to have a public inquiry into tanker safety on the coasts of Canada?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we know about the concern in British Columbia and throughout Canada over the dangers presented by maritime oil traffic. We share this concern. We are actively exploring the ways to have public input in the review presently under way.

Mr. Speaker: I want to return to the question put by the Hon. Member for Red Deer. I may have cut off the Minister. If the Minister wants to complete his answer, and do it very quickly, I will hear him.

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CANADIAN WHEAT BOARD

INITIAL PAYMENTS TO FARMERS

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, this is an important question for many western farmers. In order to let Members of the House know, we are happy to announce that initial payments are out. They are $155 a tonne for hard Red Spring wheat, $150 a tonne for Durum wheat, $85 a tonne for barley, and $115 a tonne for malting barley.

People should know that grain prices are improving, and this is good news. These are the best initial payments that we have been able to announce for four years.

If Members on the other side are not interested, I am sure Members on this side are, as are the farmers who will be affected by those prices.

[*Translation*]

THE BUDGET

GOVERNMENT'S POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance, and it does not concern shoes but intellectual honesty.

During the election campaign, the Prime Minister said there was no problem with the deficit, that everything was under control in Canada and that his Government was keeping it that way. Even the Minister of Finance failed to warn Canadians of the threat that now exists. The only person who had any intellectual integrity on the Conservative side was the Chairman of the Finance Committee, who said that the new tax proposed by the Minister of Finance would cost $10 billion.

My question to the Minister of Finance is this: Why didn't the Minister of Finance have the courage, why didn't he do the honourable thing and tell Canadians during the election that his Government would bring in a budget that would come down heavily on families with middle and low incomes, on the elderly and all consumers? Why did he hide the truth?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, these comments are utterly false, and the Hon Member knows it.

[*English*]

The Prime Minister, myself, and other Members on this side have stated warnings on many occasions, starting in 1984, of the dangers of the debt and the importance of reducing the deficit.

Members opposite have not done one thing to give us any support in getting the deficit down. Every time we have brought in a Budget, the Leader of the Opposition and all Members on the other side have done everything they could to stop us from bringing in these deficits and stating that the policies that we were bringing in were wrong.

Does the Hon. Member have anything that he wishes to say about the debt, or is he going to shove it under the carpet as the Leader of the Opposition has done for many years?

• (1500)

[*Translation*]

Mr. Malépart: Mr. Speaker, this is the second time his Government deceived Canadians—it was primarily the Minister of Finance who deceived the elderly in his 1985 Budget—during an election campaign.

This is the second time Canadians are being deceived by the Minister, who represents Bay Street.

Mr. Speaker: Please put your question.

REQUEST AS TO WHY MORE INFORMATION WAS NOT GIVEN TO POPULATION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Why didn't the Minister of Finance tell Canadians during the election campaign that he would use his Budget to come down hard on all Canadians, in order to pay for the profligate spending by the Prime Minister and his Government?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is saying that we misled the House, that we misled the public.

Mr. Simmons: That is right.

Mr. Speaker: I have been listening very carefully. The allegation was not that the House was misled.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): During the election campaign, I was asked on many occasions about the deficit and the debt. Each time I said we are committed to continuing the work to get the deficit down because the debt is a problem.

I want to go back to something which the Leader of the Opposition said.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Members on the other side do not like me bringing these things forward.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member for Vancouver Quadra has said that we must keep the debt from growing. The Hon. Member knows that the only way to do that is to keep the annual deficit at zero. He has never said what he would do to keep the deficit at zero. What taxes would increase and what expenditures—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

TELESAT CANADA

TABLING OF ANNUAL REPORT

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have the honour to table in two official languages the annual report of Telesat Canada pursuant to Standing Order 32.

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[*Translation*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

TABLING OF ANNUAL REPORT

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, pursuant to Standing Order 32, I am pleased to table two copies of the annual report of the Canadian International Development Agency for the fiscal year ending March 31, 1988, in both official languages.

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[*English*]

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBERS' BUSINESS

PRESENTATION OF FIRST REPORT

Mr. Chuck Cook (North Vancouver): Mr. Speaker, I am in a bit of a dilemma here. I have a report to present, but I am under instructions from this all-party, non-partisan committee to do it with some pizzazz. Until such time as I can determine how to bring in a brass band with rockets, flares, dignity and decorum, I am not sure I can carry out the wishes of the committee.

Some Hon. Members: Oh, oh!

Mr. Cook: Therefore, sir, I have the honour to present the first report of the Standing Committee on Elections, Privileges, Procedures and Private Member's Business. I will present it to the clerk with some flair.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of British Columbians who point out the high unavoidable risks of a catastrophic oil spill associated with off-shore oil drilling. They indicate that the small oil spill washing up on the West Coast of Vancouver Island right now demonstrates just what a catastrophe a large oil spill would create if one occurred.

The petitioners are calling upon the Government of Canada to encourage that the current moratorium continue on all hydrocarbon exploration and development activities in the coastal waters of British Columbia.

I have a second petition from British Columbians. They point out that the South Moresby Park Agreement that was signed by the Government committed itself to spending $20 million or more to explore for minerals and hydrocarbons in the first national marine park. The petitioners believe that this is unacceptable. It would create a precedent that renders the whole concept of park creation meaningless.

The petitioners have asked the Government of Canada and Parliament that hydrocarbon exploration activities do not take place in British Columbia's coastal waters and they do not want the Government to be paying for such activities.

HYDROCARBON EXPLORATION AND DEVELOPMENT—ALTERNATE USE OF FUNDS

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the same Standing Order to present two petitions signed by persons in the Vancouver-Victoria area of British Columbia who are extremely concerned about the growing number of oil spills off the West Coast of Canada due to the tanker traffic.

They call on the Government to no longer continue to finance any kind of hydrocarbon exploration and associated activities in those coastal waters. The want the Governments of British Columbia and Canada to pursue alternate sources of energy. I have two petitions signed here under the Standing Order.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I have here certified petitions from British Columbia residents who are deeply concerned about recurring oil spills off the coast of the Province of British Columbia. In particular, they are concerned about the recent spill off the coast on the west side of Vancouver Island and the current problem off the coast of Vancouver Island today. These people are petitioning and beseeching this House to be concerned about the problem and to take some action on it. I hope that the words of Canadian citizens taken in this petition will fall on open ears of this Government and that it will proceed to take some action to ensure the safety of those pristine coastlines in the Province of British Columbia.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to present a petition signed by British Columbians. The petitioners point out the dangers of oil exploration and the shipment of oil off the West Coast. They also point out that the continuing consumption of fossil fuels is having a global warming effect. They suggest that moneys instead be spent on alternate energies.

It is with great pleasure I introduce these petitions.

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I am honoured to table today, pursuant to Standing Order 103, petitions which have been certified correct for tabling in the House. These petitions are from a large number of British Columbians who are concerned about the catastrophic oil spill that we had recently in British Columbia, in particular the oil spill that is still washing up on the west coast of Vancouver Island, and as we have learned today of the *Exxon Philadelphia* floating without power off the coast of Vancouver Island.

The petitioners are concerned the risks out-weigh the benefits and that the current moratorium on all hydrocarbon exploration and development activities in the coastal waters of British Columbia never occur and the present moratorium be made a permanent one.

Mr. Speaker, I have several thousand petitions that have been provided to me from residents all over British Columbia asking the federal Government to continue in perpetuity the moratorium on off-shore oil exploration and development in the Canadian Pacific. The reasons being that it would be unavoidable are that there would be a catastrophic oil spill associated with off-shore drilling and extractions on the seismicly active, storm-swept high energy coast off Vancouver Island and the Queen Charlotte Sound. They also point out that even the small oil spill that has hit and is continuing to hit the West Coast of Vancouver Island vividly demonstrates what a large oil spill would do to the sea life there.

Mr. Speaker: I do not want in any way to restrict Members from presenting petitions, but Hon. Members will be reminded that a short statement describing the petitions is sufficient. The Hon. Member for Vancouver East.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have petitions with over 1,000 names on them from Vancouver, Vernon, Port Coquitlam, Burnaby and North Vancouver, British Columbia.

• (1510)

They are also extremely concerned about the recent oil spills off the West Coast of Vancouver Island in January, and the devastating consequence that oil spills have for seabirds and sea life, not to mention the lives of thousands of natives and non-native residents living along that coast. They ask that since the risks outweigh the benefits that there be a moratorium on exploration and development activities in the coastal waters off B.C., that the money instead go toward promotion of energy conservation and ultimate energy.

REGULATORY CONTROLS FOR OIL TANKERS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I have a petition signed by a number of residents in my riding from Port Moody, British Columbia, including the mayor and alderman. The petition notes the recent oil spilled in the ocean off Washington coast and the fact that the British Columbia coastline has been despoiled from Sooke to Cape Scott as a result of this oil spill.

The petitioners pray and call upon Parliament to formulate plans and responsibilities for clean-up of all types of oil spills on open waters, including negotiating with the United States of America for a bilateral agreement, and that the date of July 1, Canada Day, be given for completion of that agreement. Further, that regulatory controls be developed for oil tankers and oil rigs which would serve to prevent such spills from re-occurring.

I agree with the petitioners and I would like to present it.

Mr. Speaker: The Chair is very conscious that on this important matter there are a number of petitions being presented today, and there may well be more. I draw Members' attention to the rules which bind us all. I am reading from the annotated Standing Rules.

> When presenting a petition during Routine Proceedings, the Member may make a brief summary of the Prayer of the petition, state the parties from whom it comes and the number of signatures it contains, but may not make a speech or enter into debate on or in relation to the petition. The Member should also indicate that the petition has been certified in order, pursuant to the Standing Orders.

I would ask Hon. Members to co-operate with the Chair in this regard.

[*Translation*]

NUCLEAR POWERED SUBMARINES—ALTERNATE USE OF FUNDS

Mrs. Shirley Maheu (Saint-Laurent): Mr. Speaker, I rise pursuant to Standing Order 36 to table two petitions that ask the Government of Canada to give priority to the health of all Canadians by asking the Minister of Finance (Mr. Wilson) to cancel the construction of two nuclear submarines and instead to invest the money in research to cure diseases.

Two petitions come from the Haitian Association, Salvadorans, Chilians and the local community service centre and another petition is from a women's group in my riding of Saint-Laurent.

[*English*]

OPPOSITION TO TAXATION OF MUSIC LESSONS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, pursuant to Standing Order 36, I have a petition from 59 petitioners with regard to the proposed sales tax on music lessons. They have asked that the Parliament of Canada not consider music studies for addition to the sales tax because they consider them as an educational process and therefore music education should be exempt from the proposed sales tax.

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise under Standing Order 36 to present a petition signed by several hundred members of the Province of British Columbia in which they express their concerns about the risk of catastrophic oil spills on the West Coast, and in particular, the spill that took place and affected my riding in January of 1989. They call on the Government of Canada and British Columbia to extend the moratorium on oil drilling off the West Coast indefinitely in order to avoid further damage to the coast.

DISCRIMINATION BASED ON SEXUAL ORIENTATION

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition from some of the residents of Kingston and the Islands, wherein they recite the fact that in 1986 the Government accepted a report of the Standing Committee on Justice and Legal Affairs of this House, recommending that an amendment be made to the Canadian Human Rights Act, prohibiting discrimination on the basis of sexual orientation in all areas of the federal jurisdiction, and requesting the Government and this House to proceed with amendments to the Canadian Human Rights Act in accordance with the report of the committee.

Some Hon. Members: Hear, hear!

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I rise under Standing Order 36 to present a petition to this House from residents of British Columbia who are concerned over this Government's approach and attitude toward future hydrocarbon exploration off the coast of British Columbia.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the duty and the honour to present petitions pursuant to Standing Order 36 that have been duly certified by the Clerk of Petitions. The petitioners, all who are residents of British Columbia, raise concerns about large scale oil pollution on the West Coast, having experienced, unfortunately, a number of incidents over the last little while, and call for very specific action by this Parliament and by the Government of Canada to protect them.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise under Standing Order 36 to place before you a petition from people who live in British Columbia who have expressed concern about the oil spills off our beautiful coastline, and who have also expressed concerns about the impact on the livelihood of not only the people who work in British Columbia and on those coastlines but in fact the wildlife and marine life on those coastlines.

The petition calls for a moratorium on the hydrocarbon exploration. It has been certified by the Clerk.

HYDROCARBON EXPLORATION AND DEVELOPMENT—ALTERNATE USE OF ENERGY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise under Standing Order 36 to present a petition from British Columbia residents of the lower mainland who share the concern of my constituents regarding the so-called small oil spill that washed up on the British Columbia coast in January. The events of today once again demonstrate the reason for the concerns of these people. I ask the Government to please use any funds that are going to be used for development for alternative and sustainable and environmentally benign sources of energy.

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it is an honour and a privilege for me to present these petitions under Standing Order 36. The petitions have been certified and the people who have signed this petition come from British Columbia, from Vancouver, New Westminster, Burnaby and Coquitlam. They are asking that the federal Government continue in perpetuity the moratorium on offshore oil exploration and development in the Canadian Pacific off B.C. They are very concerned about the effects of the devastating oil spill, what has happened to the coastline in B.C., and they are taking their right in bringing these petitions to Parliament.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, as a Party person who grew up in British Columbia, the north part of the Saanich Peninsula, it is a particular pleasure for me to stand in the House today and present this petition on behalf of the people of British Columbia who are well aware of the damage which the oil spills have caused, and are asking that there be a moratorium placed on the offshore exploration of hydrocarbons in perpetuity and that the federal Government give a promise to the people of British Columbia that that will be the case.

HYDROCARBON EXPLORATION AND DEVELOPMENT—ALTERNATE USE OF FUNDS

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I too have the honour and privilege to present a petition signed by several hundred residents of Vancouver Island. By the way, Mr. Speaker, I have a sister and brother-in-law who live on that island. The petitioners wish to remind Members of the House of the dangers of oil spills on the West Coast and particularly around Vancouver Island. The petitioners ask that the money currently being spent by the federal Government to subsidize offshore oil drilling on the Pacific coast be used instead to promote energy conservation and the development and use of alternate sustainable and environmentally benign sources of energy.

• (1520)

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty under Standing Order 36 to present a petition from 75 people, a petition which has been duly certified by the Clerk. They are people from parts of British Columbia and Ontario who point to the great risks of oil exploration and development on the West Coast, and the underlining of that by the oil spill washing up still on Vancouver Island. They also point to the need to reduce the use of fossil fuels to protect the atmosphere.

They petition that the Government promise to discontinue all subsidy to oil exploration and development on the West Coast and to use the money instead for the development of renewable energy sources.

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am proud to present under the provisions of Standing Order 36 a petition from numerous residents of the Province of British Columbia. The petition has been certified to be in order by the Clerk of Petitions.

It is a petition asking the federal Government to continue in perpetuity a moratorium on offshore oil exploration and development in the Canadian Pacific.

I would just say briefly that it is a shame that the Governments of the day did not listen to the then Government of the Province of British Columbia. If they had they would not have this kind of mess to put up with at this time.

CANADIAN WHEAT BOARD—JURISDICTION RESPECTING OATS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition sent to me from farmers in west central Saskatchewan which has been duly certified.

They are critical of the Government's decision to remove oats from the marketing jurisdiction of the Canadian Wheat Board, something which they say will severely reduce their income. They petition Parliament not only to reject the Government's decision to leave oats under the jurisdiction of the Canadian Wheat Board but to place the marketing of canola under the jurisdiction of the Canadian Wheat Board as well.

HYDROCARBON EXPLORATION AND DEVELOPMENT—ALTERNATE USE OF FUNDS

Mr. Sid Parker (Kootenay East): Mr. Speaker, I too have a petition to present pursuant to Standing Order 36. It has been confirmed to be in order.

It is from residents of Vancouver with regard to oil spills off the West Coast. The petitioners believe that the risks outweigh the benefits. They ask that the current moratorium continue on hydrocarbon exploration and development activities in the coastal waters of British Columbia. They ask that the Canadian Government indicate to industry that this moratorium will not be lifted in the future.

They further ask that the money currently being spent by the federal Government to subsidize offshore oil drilling on the Pacific coast be used instead for the promotion of energy conservation and the development and use of alternate sustainable environmentally benign sources of energy.

MORATORIUM ON HYDROCARBON EXPLORATION AND DEVELOPMENT

Mr. John Brewin (Victoria): Mr. Speaker, I too rise pursuant to Standing Order 36 to join with my colleagues in presenting a petition on the subject of a moratorium on offshore oil exploration and development.

The petition is signed by a number of residents from British Columbia. It has been duly certified by the Clerk.

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, thank you. Perhaps I would have been recognized earlier had I confessed to being a relative of one having lived in British Columbia.

I have a petition here that is duly certified by the Clerk of Petitions as is appropriate in the circumstances. The petition comes from about 200 citizens of British Columbia. They do not speak just for British Columbia. British Columbians often foretell the concern of Canadians all across the land on environmental questions.

Some Hon. Members: Hear, hear!

Mr. McCurdy: This petition asks that there be a moratorium on all hydrocarbon exploration and development activities in the coastal waters off British Columbia and that the Canadian Government indicate to industry that this moratorium will not be lifted in the future. Further, they ask that the money currently being spent by the federal Government to subsidize offshore oil drilling off the Pacific coast be used instead to promote energy conservation and the development and use of alternate sustainable and environmentally benign sources of energy.

That is a point of view to which all Canadians could agree.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, although I must admit that I have only been to Vancouver once and that I never really had the opportunity to see the beautiful shoreline, I would like to have that opportunity some day.

I too rise with honour as is my duty pursuant to Standing Order 36. I would like to submit to the House a petition duly certified and signed by a number of residents of British Columbia.

They ask that the current moratorium continue on all hydrocarbon exploration and development activities in the coastal waters of British Columbia and that the Canadian Government indicate to industry that this moratorium will not be lifted in the future.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I too have the pleasure of rising to present a petition pursuant to Standing Order 36. It has been duly certified.

This is a petition signed by a large number of British Columbia residents, several hundred of them. Many of them are from my riding of Surrey North. They express their concern about the continued problems of oil pollution on our West Coast,the threat that that has to our marine life, to tourism, and to the jobs and livelihood of a large number of British Columbians. They request that the federal Government and the other Governments continue the moratorium on hydrocarbon exploration and development. I concur with their request.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I also rise under Standing Order 36 with a petition which is my honour and pleasure to present.

The petition points out that there are high unavoidable risks of a catastrophic oil spill associated with offshore oil drilling and extraction on the seismically active storm swept high energy coast off Vancouver Island in the Hecate Strait in the Queen Charlotte Sound. They ask that the current moratorium continue on all hydrocarbon exploration and development. They state that the risks far outweigh the benefits. I concur in that and am pleased to present this petition.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am very pleased to rise pursuant to Standing Order 36 to present a petition on behalf of residents of western Canada, particularly residents of the West Coast.

They point out the high unavoidable risks of a catastrophic oil spill associated with offshore oil drilling. They call upon the Government to extend the current moratorium on all hydrocarbon exploration and development activities in the coastal waters of British Columbia. Further, they ask that the money currently being spent by the federal Government subsidizing offshore oil drilling on the Pacific coast be used instead to promote energy conservation and the development of alternate sustainable and environmentally benign sources of energy.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of residents of the Vancouver area who also have a concern with respect to oil spills on the West Coast of British Columbia. They request a moratorium on all future drilling and hydrocarbon exploration in favour of more economically and environmentally sound measures.

* * *

POINT OF ORDER

CORRECTION TO *HANSARD*—INCORRECT IDENTIFICATION OF MEMBER

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to make a correction to *Hansard*.

On Friday, April 14, 1989, as reported at page 520 of *Hansard* it is indicated that I put a question to the Hon. Member for Edmonton East (Mr. Harvey) with respect to capital punishment. It is a question which purports to favour capital punishment.

It was not me who asked the question but another Hon. Member. I believe it was the Hon. Member from Lethbridge. I would ask that this be corrected on the record.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

STATEMENTS BY MINISTERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order since the Government House Leader is in his place.

During Question Period we all appreciated hearing statements by the Minister of the Environment (Mr. Bouchard) and the Minister of State for Grains and Oilseeds (Mr. Mayer). However, I would suggest that since under Routine Proceedings there is an opportunity for Ministers to make statements, it would be a good idea for Ministers to make a statement during that time rather than using Question Period. Obviously, these were not legitimate questions.

However, as I say, we did appreciate the fact that the Ministers took the time to make a statement in the House. I am suggesting that next time perhaps this should be done under Routine Proceedings where it would be more appropriately received.

• (1530)

Mr. Lewis: Mr. Speaker, I appreciate my hon. friend's comments. There were two questions asked. We only get two on this side, and sometimes not that many. They were considered to be of sufficient importance, just as my hon. friend considers the topic of their question to be of considerable importance, that they should have been asked during Question Period. In fact, we on our side were quite shocked that the Member for Esquimalt—Juan de Fuca (Mr. Barrett) did not see fit to rise and ask a question about that very serious matter occurring down on the Strait of Juan de Fuca. We wanted to get it out to reassure the people of British Columbia that we were taking care of the matter.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops (Mr. Riis) on the same point of order.

Mr. Riis: Yes, Mr. Speaker, on the same point of order. I appreciate my hon. friend's comments. I do want to point out that the Member from Skeena (Mr. Fulton), the environmental spokesperson for the Party, actually did raise that question. The Government was complaining that they had two questioners during Question Period. We also had two questioners during Question Period. We are an opposition Party, and Question Period is, if you like, set aside for opposition Members to ask questions. If he is complaining that he only had two of his Members, who actually probably should not be asking questions, I am saying that the reason we are concerned is that we want the Ministers to be making statements, but making them at the appropriate time.

Mr. Lewis: Mr. Speaker, I simply want to suggest very courteously that one of the ways of correcting that is to shut down the amount of time a question takes; then you get more questions.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill C–9, an Act to amend the Bank Act, be read the second time and referred to a Legislative Committee.

He said: Mr. Speaker, on April 13 last I had the honour of tabling the Government's Bill to enhance the service charge disclosure provisions of the Bank Act. Unlike the predecessor Bill, which applied only to personal accounts, Bill C–9 applies to both business and personal accounts on deposit at chartered banks. This policy was developed in co–operation with the Minister of Consumer and Corporate Affairs (Mr. Valcourt) and incorporates measures proposed in consultation with small business and bank representatives. It also responds to many of the recommendations put forth by the Standing Committee on Finance and Economic Affairs. The committee helped focus attention on changes in the

banking industry that left many Canadians surprised by unexpected service charges.

[*Translation*]

Mr. Speaker, the changes provided in Bill C–9 are based on four premises: first, individuals and companies must be able to make enlightened decisions and compare prices to choose the accounts and institutions that best meet their needs; second, Canadians are entitled to receive reasonable advance notice before new or additional charges are imposed on their deposit accounts; third, customers wishing to complain about service charges must know that a mechanism for this exists both within the bank and with the Government and that they can have access to it.

Competition, not regulation is the best way to guarantee a fair and reasonable approach to establishing prices.

By applying these principles to the Bill, we have made substantial progress towards increasing consumer protection. The provisions of Bill C–9 represent a considerable improvement in the standards to be observed by banks with respect to notice and disclosure of charges to their customers in Canada.

[*English*]

First, in deciding where to do their banking, consumers will be in the best position ever to shop around. Each bank will be required to make available brochures of service charges for their various accounts. A brochure will be available for personal accounts and for business accounts. With such information readily available, consumers will be in a position to choose accounts and institutions that best meet their needs. In addition, for all other kinds of charges, where standard ones exist, the public will have access to a list of all such charges. This requirement, which was one of the major objectives of small business groups, represents a substantial improvement over the previous Bill.

A second major area of enhanced disclosure takes place when a customer chooses his or her accounts.

[*Translation*]

New customers will first receive a copy of the agreement they have signed, a list of all service charges applicable to their type of account, information respecting the bank's procedures for notifying them of any increase in charges, and information on the bank's procedures relating to complaints.

Finally, Mr. Speaker, the situation with respect to changes in related charges has also improved. The bank may not introduce any changes in the charges it applies to a customer's account without giving the customer 30 day's notice. Customers who have accounts with passbooks and, as a result, do not receive monthly statements in the mail, will be advised at least 60 days in advance of any changes in charges by means of signs posted in full view at their branches.

The provisions of this Bill also allow for the fact that in recent years, there has been a increasing tendency among Canadians to use automatic tellers. As a result, banks will have to notify their customers at these outlets of any changes in the charges applied to their accounts.

I would now like to discuss the second major objective of this Bill, which is to provide for complaint mechanisms.

For the first time, banks are obliged to establish a procedure for dealing with customer complaints and to have such procedures approved by the Office of the Superintendent of Financial Institutions.

The banks will also have to designate an administrator or employee who will be responsible for implementing the general complaints procedure and to appoint at least one employee who will receive complaints from the public. Finally, banks will also have to post a notice to inform customers of their right to file complaints with the Office of the Superintendent of Financial Institutions, if the banks are unable to deal with the problem themselves. The name, address and telephone number of the resource person at the Office will also be posted.

[*English*]

This Government continues to monitor service charge practices and is ensuring that Canadians are able to resolve their account-related problems. As part of that process and to ensure that Parliament has the opportunity to assess on an ongoing basis the success of our efforts, the Superintendent will be preparing annual reports on complaints and a report which will be tabled in Parliament. Penalties for non-compliance have also been increased. At present, penalties for breach of the disclosure provisions are to a maximum of $1,000. This new legislation provides for a maximum penalty of $500,000 for a breach of any of the provisions without reasonable cause. There may be some who say we should have gone further in regulating charges. To this I respond first, that as a matter of principle this Government is not in favour of price regulation, particularly in markets where there is competition.

• (1540)

This Bill represents a reasonable and responsible approach to the major issues. Through this Bill, consumers and business will have assurances about the treatment they will receive from banks. Banks, too, will understand their role and responsibility in serving their customers.

Moreover, the Government will shortly be bringing forth its legislation on financial institutions reform which, by breaking down barriers, will foster an even more competitive environment.

[*Translation*]

In concluding, Mr. Speaker, I would like to add the following clarification. Once implemented, the Bill and the measures taken last year by the banks with respect to basic charges and accounts will make it possible to deal with concerns expressed by many Canadians before the Finance Committee of the House of Commons.

From now on, as soon as they open an account, Canadians will be informed of the charges involved and of their rights. They will be advised of any changes in the charge schedule, in a manner that is far more acceptable than was the case before.

They will also have direct access to a complaint settlement mechanism, first at their bank, and if they do not obtain satisfaction, at the Office of the Superintendent of Financial Institutions which will act as a mediator.

Mr. Speaker, we are convinced that these measures will help consumers and companies to get the most out of their financial institutions and that the industry will become more competitive.

[*English*]

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member for Gloucester (Mr. Young), Mr. Speaker would like to take the Chair.

Mr. Speaker: I should advise Hon. Members that it is not the custom of the Speaker to interrupt debate to hear an application, but I have an application for a motion to adjourn for an emergency debate.

The Hon. Member for Esquimalt—Juan de Fuca (Mr. Barrett), very kindly agreed to postpone rising because the Speaker, for a few minutes, had to receive the Prime Minister of New Zealand. I hope Hon. Members will

understand. I will hear the Hon. Member for Esquimalt—Juan de Fuca.

* * *

MOTION TO ADJOURN UNDER S. O. 52

WEST COAST FISHERIES—PUBLIC RELEASE OF REGULATIONS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise under the provisions of Standing Order 52. This morning there was a Government promulgation of release of regulations relative to West Coast fisheries.

The emergency forthcoming because of the promulgation of those regulations today make it imperative for me to stand up and ask for this debate. Without the debate, decisions will be made in the Province of British Columbia that affect not only investments both private and public, but the lives of thousands of British Columbians, their families and coastal communities.

It is with regret that I have been forced to quote the Secretary of State for External Affairs ((Mr. Clark) earlier today to show that this matter was an issue that was negotiated away under the Free Trade Agreement. We were not able to determine the impact until these regulations. Once we saw these regulations, we then knew the necessity of an emergency debate.

Mr. Speaker: I have had the advantage of not only reading the notice for an application for an emergency debate, which was very succinct, I have heard the Hon. Member and I have also had the advantage of having heard extensive comment on the matter in the House today.

I am sure there will be opportunity to comment on the matter further. It is a serious matter, of course, as all Hon. Members on both sides of the House are concerned about the West Coast fishery, but despite its seriousness and its importance, I do not feel it is appropriate to proceed to an emergency debate.

GOVERNMENT ORDERS

[*Translation*]

BANK ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-9, an Act to amend the Bank Act, be read the second time and referred to a legislative committee.

Mr. Douglas Young (Gloucester): Mr. Speaker, I would of course like to take this opportunity to speak to the Bill tabled by the Minister of State (Finance) (Mr. Loiselle) concerning bank service charges. Many Canadians, including our financial institutions, have been waiting to find out exactly what the Government's position would be on this matter which was examined last year by the committee responsible for considering financial and economic matters here in the House.

Mr. Speaker, there was something that struck me in the Minister's remarks here today, and it was the fact that, and I quote: "There had been exhaustive consultations with groups representing industry and small business".

When the Minister of State (Finance) tabled the Bill in the House on April 13, I believe, there was of course a reaction from the parties concerned, and I must admit that from the outset there was a positive reaction, because the Bill reflected a problem that had been brought to the attention of Canadians by many Members of this House during the past two years.

However, I think it is only fair to say there are still some questions about the proposed legislation, especially on disclosure, and I am thinking of consumers who may have very small accounts and for whom the bank is too big for them to be able to discuss any concerns they might have about service charges. Does the system established under the regulations that accompany the Bill truly respond to the need for disclosure of all the possibilities opened to consumers?

[*English*]

This legislation is a very limited approach to the extensive work done by the Standing Committee on Finance. The major question which must be addressed with respect to this legislation is based on the area of transparency of information made available to consumers.

Corporations are now brought under the legislation. The Canadian Federation of Independent Business has been a very vocal supporter of the Government on a number of issues in the recent past. It has made it clear that it believes there is a serious flaw in the proposal. I believe that was reflected in the testimony that was heard and in the recommendations that were made by the Finance Committee. It concerns the double charging on NSF cheques. We recognize that there has been an attempt to bring in regulations to deal with as many situations as possible. It seems to me and certainly to many small businesses in this country that requiring the issuer of an NSF cheque to pay a fee upon that cheque being returned is a totally legitimate and appropriate charge for the banks to make.

However, while I do not want to be difficult, there are great differences between rural and urban situations. For example, it is difficult for an urban dweller to cash a cheque in a bank branch where he or she is not known. It is not a simple task to go in off the street and attempt to cash a cheque, whether it is in a bank or in a retail store.

That is not always true in smaller communities and rural areas where the cashing of a cheque is seen very much as a reflection of trust between two parties, between people who are expected to be good for whatever they do, be it the issuing of a cheque or anything else. I wonder if it is not an unfair practice to have both the issuer of the cheque charged a fee when it is returned NSF as well as the party taking the cheque.

• (1550)

I know the argument is made that the receiver of the cheque should be more stringent, should ask more questions and should be sure that the issuer of the cheque has sufficient funds to cover it. However, that is not an easy thing to do. I hope that the position put forward by the Canadian Federation of Independent Business and many others will be taken into consideration.

I wish to apologize, because at the outset of my remarks I should have thanked the Minister of State and his staff for the co-operation they have shown on this matter. As a new Member of Parliament, I do want to point out that it was very generous of the Minister's staff to provide us with information and keep us up to date on the process. I would like to recognize the Minister's co-operation on that basis. My remarks are not of a confrontational nature.

Although my friends to the left had reservations about the report made last year by the Finance Committee with respect to an ombudsman type of activity, generally speaking members of the Finance Committee realized that there had to be some improvements made and this Bill reflects some of those. However, I wish to underline my belief that the charging of the so-called innocent party in a transaction involving an NSF cheque is not a practice that should take place. There should be a way to avoid that practice.

From the bank's point of view, the point is made that it is easier to recover from the person who has taken the cheque. Usually that person has a business establishment and an account at the bank. There is no doubt that recovery is made much simpler because the party is at hand, while the party who has issued the cheque may be long gone. Oftentimes, that party has no intention of covering the cheque. If it were simply a mistake on the part of the issuer, undoubtedly he would return to the retailer and cover his charges as well. In most instances, the issuer of the cheque is no longer to be found or is insolvent, and it is a very difficult process to try to recover any loss to the bank.

In the meantime, I point out that the person, company or small business that takes an NSF cheque finds itself in an even more awkward position. Not only is it hit with a fee, but what can it do about the cheque? Again, it seems to me that this adversely affects the small business person who may not have a sophisticated method of verification of cheques. Cheques are taken on evenings and weekends. Sometimes people think they know other people well enough to be able to trust them, but for whatever reason, they come a cropper. I hope the Government will take a look at that situation.

I also suggest, and perhaps the Minister could enlighten us about this matter today, that the Bill go to the Finance Committee rather than to a legislative committee. I think that has been the practice and certainly the members of the Finance Committee will have a very specific interest in this Bill.

My next point deals with transparency of disclosure. We will have to look at the implications of this. We will want to hear from the banks, trust companies, and depositories. It is one thing to inform consumers but it is another thing to confuse them. I am wondering from a very practical point of view what we intend to propose for the disclosure of information.

Some have suggested that we will end up with financial institutions with nothing but posters and pamphlets everywhere. Ordinary consumers will be faced with a very complex decision when trying to determine what they want to do with their money, what type of account they want, how much it will cost them, how many cheques they can issue and how much they will have to pay to get their cheques back. I hope an attempt will be made to simplify that situation.

I recognize that the Minister believes that the marketplace will have a great role to play in making sure that there is competition and that the fees are maintained at reasonable levels. I think as well, though, that there has been a move on the part of financial institutions to become very complex. There are interest-bearing savings accounts, balance amounts, different types of accounts and different charges for cheques depending on how many cheques are written a month and the like.

The information we have received, and I am sure the Chairman of the Finance Committee has heard this as well in the last couple of years, is that most people are looking forward to a system that is simple. They want to know what banking will cost them but both individuals and small businesses want a system that is simple, a system they can understand, cope with and respond to with some flexibility. They want to see something that is not as complex as the plans, programs and approaches that have been put forward by some financial institutions in the past few years.

[*Translation*]

Mr. Speaker, I listened with great interest to the Minister of State's comments on the whole matter of decompartmentalizing financial institutions—the rules of the game—and again, I cannot let the opportunity go by without indicating to the Minister the importance of what is happening in the financial sector, be it stock-broking, insurance companies, trust companies or banks. Mr. Speaker, for all sorts of reasons, I believe it is true to say that the federal Government is lagging behind on this issue. We can start to make up for lost ground, but we must still consider what has happened, especially in Québec, which I am sure the Minister is well aware of, and what is beginning to happen in Ontario. But it is because of what is happening in the other provinces, which traditionally have followed what has happened, mainly in Ontario, that we now see how fast events are moving in Québec and we have not acted.

So I hope, Mr. Speaker, that the Minister responsible will soon be able to advise us when we can expect a bill on what connections are permitted between financial institutions and what connections are not.

[*English*]

The uncertainty that exists with respect to financial institutions must be addressed. I recognize very well that we are dealing with a very limited Bill, but I do think it is imperative at the very outset of this Parliament that the Government and the House of Commons deal with the reality with which we are faced on a daily basis, with what will happen with commercial links, who will be able to do what with insurance or stock transactions, what role trust companies will play, how much commingling of services will be made possible. For example, within a very short time there will be the arrival of the American Express Bank. All the furore that surrounded that announcement has caused a degree of uncertainty.

In the last few days the Finance Committee has been able to speak with and listen to the Governor of the Bank of Canada. One point Mr. Crow kept going back to was the integrity and credibility of the monetary system. I believe it is equally imperative that Canadians feel confident about financial institutions. With the Minister of State having to take over a financial operation just recently, through the office of the Superintendent of Financial Institutions, and with the experience we have seen in Ontario and the West over the last couple of years, it seems to me that it is incumbent on all of us to show very quickly the direction in which the Government intends to move.

We have dealt with the proposals of the Minister's predecessor, and obviously many of those are still around and probably will be forthcoming. I do not think it is appropriate that the Government continue to follow the crowd as opposed to being equal partners in the development of the new reality that most people perceive to be coming into place with respect to how financial institutions function.

• (1600)

There are a number of problems that have to be addressed with respect to the report prepared by the Finance Committee. I do not believe that in his remarks the Minister intended in any way whatsoever to indicate that the Bill we are dealing with today reflects in totality the recommendations of the Standing Committee on Finance. There are still a number of issues raised in that document that need to be dealt with. Although we will be dealing with it in more dimensions this afternoon in the House, it is important that the Bill be referred to the Finance Committee where we can sit down and have discussions with people from industry, people representing consumers, as well as knowledgeable Members of the House who have a particular interest in matters of finance and economics.

In closing, I want to say to the Minister that we understand the effort that has been made to address some of the elements involved in the recommendations of the committee. We do believe there are some elements that need to be addressed, some of which I have outlined and others that I am sure will be brought to our attention while the Bill is considered by committee.

The position of our Party is that we believe it is absolutely essential that we move very rapidly to put before the House and the people of Canada the direction the Government intends to take with respect to the reform of our financial institutions.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, as I was saying on September 29, 1988, before I called it one o'clock, I want to deal with the Bill. The Bill was first introduced in the House by the former Minister of State for Finance, "Baker" Tom Hockin. Before we started the debate on the Bill the Minister said to me in conversation that he knew the Bill was not exactly the type of Bill you wanted out of the Finance Committee. However, he said that half a loaf is better than no loaf at all. So I said to "Baker" Hockin, "There is no way we will accept this half-loaf", and the Bill died.

The Bill has now been resurrected under the name of Bill C-9 with *boulangerie* Loiselle in charge. He is now in charge of the bake shop, but it is the same stale half-loaf. It has not changed. This Party is not prepared to eat or break that stale half-loaf.

They are not minor concerns that the NDP Caucus has about the Bill. In his comments the Liberal critic has stated that perhaps we have concerns. We do not have "some" concerns. We have total concern with the Bill. This Bill breaks faith with the Canadian people.

One only needs to recall the episodes that led to the Finance Committee looking into bank service charges. In the words of the Chairman of the Finance Committee people were being "dinged and donged" on service charges. We are not talking about small money here. In 1987 the five major banks collected $1 billion in service charges from ordinary Canadians. We are not talking about penny-ante stuff. Lo and behold, the Standing Committee on Finance examined the whole issue of bank service charges. It made some tough recommendations.

Why do we oppose the Bill? First, the Bill has VC.

An Hon. Member: What is VC?

Mr. Rodriguez: VC is voluntary compliance. What we are saying in the Bill is "Trust the banks. Don't worry, be happy". The whole concept of actually walking into this marble-towered financial institution and expecting the widow to trust it when all she wanted was to change a $10 bill into quarters, she trusted them and the bank hit her with a $2 charge. We are being asked to trust the banks.

What do the banks have to say for themselves? The following is a speech made by Mr. Ritchie, the chief honcho of the Scotiabank. Regarding service charges, he stated: "One of the most significant trends in banking worldwide is the increasing relative importance of income other than interest.

For example, fee income is now almost one-quarter of our total revenue, up from a little over 18 per cent just three years ago." This is not small stuff, Mr. Speaker. It is 25 per cent of a bank's income and it is increasing. In three years it has gone from 18 per cent to 25 per cent. As time goes on, the service charges applied to customers of the bank will be an increasingly important source of the bank's revenue. This Minister and the Tory Government says, "Trust the banks. They will look after you. They have voluntarily complied". The Scotiabank is the same bank that charged Mrs. de Gruchy $2 to change a $10 bill into quarters to do her laundry.

To believe that the banks will look out for our interests is like asking Evil Knievel, Jr., to go park your car. The imagery is the same. Someone suggested that it was like asking the Ayatollah Khomeini to be the literary critic

for the *New York Book Review*. One of the first criticisms that we have about the Bill is the fact that it contains voluntary compliance, which is something we cannot accept.

The second objection is what I call the "Snow White" clause in relation to monitoring. Not only does the Government accept voluntary compliance in the Bill, but it also accepts what I call this "Snow White" syndrome. In other words, as they go through this process of voluntary compliance the banks are going to look into the mirror and say: "Mirror, mirror on the wall, who's the fairest bank of all?" Of course, we know what the answer will be. We are asking them to police themselves.

The Government totally rejected the whole concept of an independent ombudsperson. We are asking the banks to police themselves and I am sure they are going to say that that service charge was bad. You bad boy! I am sure they are going to do that. Absolutely. Rather, I would suspect that it would be the same as what Snow White's stepmother got when she looked into the mirror and posed the question. This Government has accepted that especially since, as I pointed out earlier, service charges collected on customers' accounts account for 25 per cent of the bank's income, an amount that is rising.

• (1610)

What does the Bill do? Does it outlaw certain service charges, Mr. Speaker? No. I have the Bill here and I will tell you what it does. It is all just an inundation of paperwork. Actually, it is notification. You write the customer and you tell him that the service charge for an NSF charge-back is now $15 and not $10. But the notification has to be in writing "in the prescribed manner", information in writing "in the prescribed manner".

Every single clause and subclause of the Bill makes sure that the banks give notice in writing "in the prescribed manner" with appropriate copies in the appropriate colours. If this Bill is ever approved, God help the forests of this country because they will be gone. Isn't that great, Mr. Speaker? This Government gives the banks the keys to everybody's account. All the bank has to do to is inform customers. There is no process of disputing the charge. The Government will say to me, as the banks have said, "If you don't like the service at this branch, go to another bank". They have cut you off at the pass because to transfer your account from one bank to another you are now charged. As a matter of fact, I went out the other day and got the latest lists. Lo and behold, to transfer an account from CIBC to another bank costs $10. Is that fair?

All the bank has to do is send you the notice in writing "in the prescribed manner". That is what the banks have to do. This Minister says this Bill is different from the last one in that this Bill includes small business. Does it? It includes small business but only for core services. It does not include some of the more outrageous charges which the Finance Committee found the banks were imposing on small business and individuals. This Bill does not prevent banks from increasing charges for deposits or withdrawals. It does not specifically outlaw the NSF charge-back. It does not outlaw transferring from one bank to another if you are not satisfied. It does not outlaw that.

With regard to the NSF charge-back, and I want to pin this Minister down and wrestle him to the ground, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: —the banks have said "We have voluntarily complied". On September 29, 1988, the then Minister of State for Finance said "As a result of their consultations with the banks, six service charges which most Canadians found to be objectionable have been removed by various federal financial institutions. Specifically, recipients of NSF cheques are not charged for depositing such cheques in their personal accounts". The Minister said that. All of the banks have complied except for the Toronto-Dominion Bank. Toronto-Dominion is not part of the voluntary compliance, the VC. I went to the Canadian Imperial Bank of Commerce and found a list of over 100 services. I understand there are about 178 different service charges.

I picked up the one for the CIBC. It says for a charge-back on an NSF cheque the cost is $4. Is this a bank complying, Mr. Speaker? The NSF charge-back is there at $4. Where is the voluntary compliance on the part of one of the banks that said "We will comply"? This bank has not complied because these service charges are providing a handy opportunity to increase income. I know there are some of us in this House, and maybe out in the country, who will be so cynical and cruel as to

suggest that what the Canadian banks were doing were covering their losses for what at that time were considered to be reputable borrowers, Venezuela, Argentina and Brazil. Now they are taking losses and the taxpayers of Canada are having to pick them up. If there were such cynical persons around, the suggestion would be that when banks started to be hit with those losses was the time when they unbundled the charges.

The Toronto-Dominion Bank told the Government, as it tried to get this voluntary compliance, to go take a hike. One bank has decided to go on its own. It has no voluntary compliance. That in itself should have been enough for the Government to recognize that it had a responsibility to the consumers of Canada to ensure that certain basic services were provided to bank customers.

The Minister asks me why. I will tell the Minister why. We are talking about banks that are really operating in an oligopoly position in this economy. They are chartered. You and I, Mr. Speaker, cannot just go out in the street and open up a bank. Banks receive a charter from the Government of Canada, from the Parliament of Canada. They have certain monopolies, certain things they can do that others cannot do. Having given them that responsibility, the Government cannot withdraw from their responsibility to rein-in this outrageous behaviour of banks with respect to bank service charges.

• (1620)

I am surprised that the Minister who is responsible for this Bill asked me why. I find this amazing. But I should not find it amazing. After all, he is a Tory. He knows where his friends are.

An Hon. Member: Right.

Mr. Rodriguez: He knows they are all up there in the ivory towers of the banks, in the golden towers. I think the Royal Bank has a golden tower in Toronto. That is where they are. They have chosen the correct colour. So I am surprised that he asked me that question: "Why?"

Banks can still do all the things that the Standing Committee on Finance said were despicable. They can still make a charge on a minimum balance. If your balance falls below a certain minimum they can still charge you. Nothing in this Bill prevents that. Nothing. Can you believe this? We found out that if the bank makes a mistake on your statement or your account, do you know that they charge you for that?

An Hon. Member: No.

Mr. Rodriguez: That is right. They charge you for that. It is true, brother, believe you me. We heard the evidence. They charge you on the number of deposits, imagine that! You put money in their bank, they charge you. Can you believe that?

Some Hon. Members: No. No.

Mr. Rodriguez: That is right. Someone walked in the bank the other day, just walked in to get out of the cold, they charged him. Believe this or not, a lady walked past the bank, she got a charge.

An Hon. Member: I think I believe it.

Mr. Rodriguez: Inactive accounts. If you are the kind of person who puts your money in and then goes home and forgets it and puts it under the mattress, they call that an inactive account and they charge you. But if you get active in your account, they charge you for that. They have got you going and coming. These guys are just out of control. Out of control.

An Hon. Member: What is the country coming to?

Mr. Rodriguez: I remember the Chairman of the Finance Committee. A very affable guy. He was supposed to be a powerhouse in the committees. He went over after the standing committee had drafted its tough, tough report. He phoned up the banks. He said, "Can we come over for tea and crumpets? We have to talk about this." He went over to the big tower here on Sparks Street, met all the big honchos in the bank. I guess he drank the tea and ate the crumpets but the bank said "We are not interested. We are not interested in what your proposals are."

We even had a Conservative Member of that committee who entered a Private Members' Bill to include all the tough recommendations of the committee. Along comes "Baker" Hockin with his Bill last year and

suddenly he withdrew his Bill. He said, "Oh, this Bill satisfies me." It takes very little, I know, to satisfy a Conservative. It takes very little, especially when his bosses from the banks are pulling the chain. It takes very little. But surely, Mr. Speaker, this is breaking faith with all the hundreds and hundreds of people who wrote to us on the committee about what was happening with bank service charges. Surely it was a break in faith.

Does it stop the banks from applying any of these service charges? No, it does not, because all the Bill does is to say "We accept the bank's word that they have voluntarily complied. Secondly, all you banks have to do is to send out the appropriate document informing customers of the new charge or of the increasing charge 'in the prescribed manner'." It is a roaring rabbit.

Now we get interesting. Say you get the notice in the prescribed manner, you get your yellow copy in the prescribed manner. The bank tells you what the charge is for deposit boxes, or whatever the service is what the charge will be. If you do not like that, what do you do? The first thing the Bill says you do is to go to the bank and you see the staff in the branch. You see the outline. The Canadian Imperial Bank of Commerce went and picked it up today. They said, "Four easy steps for resolving a complaint". Notice they are very positive, "for resolving a complaint". They are already anticipating a resolution. So if you do not like it, what does the Bill say you do? You go down to the bank and complain. You go to the staff and say, "I do not like this charge". What does the staff person do? He or she might take out the compact mirror and say, "Mirror, mirror in my hand, is this charge a fair charge?" Then I ask you, what is the mirror going to say?

An Hon. Member: The bank owns the mirror.

Mr. Rodriguez: The bank says, "You have a very fair charge. It is the fairest in the land". They give this message to the consumer. The consumer says, "I do not like this". The consumer says, "I do not like the answer". So what does the Canadian Imperial Bank say in those four steps? The same thing as the Bill says, you go to the manager of the branch. So now you have an appointment with the manager. What does he do? You don't like the charge, so he takes out his hand mirror and he says, "Mirror, mirror in my hand, is this a fair charge? What does the mirror say? It says, "It is the fairest charge in the land." Of course.

An Hon. Member: It is a fairy tale.

Mr. Rodriguez: Here is the next step. You do not like that, so what do you think the third step is? The third step says, you now go to the regional office of the bank. It says here. You go to the regional office. When it gets down there, the regional manager or regional honcho goes into his bathroom and he looks into the—

An Hon. Member: Mirror.

Mr. Rodriguez: —bathroom mirror. Of course. What does he say to the mirror? "Mirror, mirror on the wall, is this a fair charge?" What does the mirror say?

Some Hon. Members: "It is the fairest charge in the land."

Mr. Rodriguez: "It is the fairest charge in the land." My colleagues are right. "It is the fairest charge in the land." You got it. But you are not happy with this?

Some Hon. Members: No. No.

Mr. Rodriguez: "No, MP, are you kidding?" They know how useful those Tory MPs are. What does it say? You go to the president of the bank, Mr. Ritchie. You go to the president. First you have to pay a charge. You say to the president, "I do not like this charge". What does he do? He goes into his full size mirror, sees his whole person, and he says, "Mirror, mirror on the wall, is this a fair charge?" What does the mirror say?

Some Hon. Members: "It is the fairest charge in the land."

Mr. Rodriguez: Of course. "It is the fairest charge in the land."

By this point you are really cheesed off. You do not really like the answers you got. What do you do now? The bank points you to this notice on their wall. It says if you do not like what is called "Four steps for resolving a complaint", you now can go to the Superintendent of Financial Institutions. He is over here in the bank tower. He is up here in this tower just like an eagle. That is so he can see far. He is up there. You get up to him and you say, "Look, Mr. Mackenzie, I do not like this charge." He says to you: "Look, I would like to help you, you see, but I do not handle consumer complaints because I am only here. I am only in the business to make sure banks do not go broke. I am here to regulate banks to make sure that they stay in business. I have a conflict because if I have a lot of new complaints, and I agree with you, then that means the banks do not get as much money as they

should get. So I think you have to go back to the bank and see the bank". Thus, there is the full circle.

• (1630)

I ask you, Mr. Speaker, is this the way to greet anybody? I have made fun of this but it is the only way I know how to put across a point. I think I have made that point. I ask my brother opposite if I have made the point. In fact, there is no independent, impartial individual who assesses, first, if a service charge is justified and, second, if it is justified, is it a reasonable one? There is no provision for that.

There are examples concerning industries in the country which are regulated by Government. I refer specifically to Bell Canada. That company has to apply for rate increases. Not so long ago it was forced to provide relief on a rate charge that was too excessive. There are no provisions in this Bill concerning banks. The Bill is faulty in that regard.

What have we New Democrats said? We agree with the rest of the members of the Finance Committee. We agree with Paul McCrossan's Bill. I tried everything possible to get Paul McCrossan to keep his Bill on the Order Paper. When he withdrew it, I entered a Bill which included all of those things that Paul McCrossan had in his Bill. Mine went beyond that and added two other things.

What do we want? We want a basic no-frills account. We believe that by law banks should provide that type of basic no-frills account where certain transactions are part of that basic no-frills account. That would allow poor people who have very few transactions, or very basic transactions to do with the bank, to be able to carry them out without being dinged and donged.

Banks that have assets of $140 billion have made those assets off the deposits of ordinary Canadians. Those same banks turn around and ding and dong them for every single charge which allows them to continue to increase their wealth. Last year the Royal Bank had net income of $700 million while the Scotiabank had net income of $506 million. The CIBC had net income of $591 million. Despite these spectacular earnings, the Royal Bank raised 15 of its service fees an average of 4 per cent to 6 per cent. The other banks have followed suit. Even when they are enjoying spectacular earnings they continue the ever onward and upward rise in bank service charges.

We propose an immediate one-year freeze on bank service charges. This differs from McCrossan's Bill. I did not pull that figure out of a hat. The Royal Bank did it, but only for six months. After that there were even more astronomical rises. Thus we are suggesting a one-year freeze.

It seems to me that over the past five years, bank service charges have increased at an average annual rate of 19 per cent. I have a strong feeling and suspicion, although I cannot put my finger on it, that they have been overcharging Canadian consumers.

We have seen this situation before. I recall the experience we had with credit card interest rates. I saw the Tories, in particular the former Member from Scarborough West and others who sat opposite, screaming because the interest rates on credit cards skyrocketed. What happened? The Finance Committee decided to investigate the matter. Suddenly, the banks all agreed they would move voluntarily and overnight the rates came down to about 15 per cent. What has been happening lately? The rates are back up and climbing. Retail credit cards at places such as Sears and Canadian Tire are up at around 30 per cent.

I heard John Crow and the other birds from the Bank of Canada say the other day that they are allowing interest rates to rise because they want to dampen demand. I suggest that for a number of Canadians who do their retail purchasing on credit they have already been dampened with interest rates of 20 per cent and 30 per cent on their credit cards.

Look at the spread, Mr. Speaker. The cost of money is around 12.3 per cent or 12.4 per cent and these retail outlets are charging 20 per cent and 30 per cent. We recognize the need for a freeze. We believe there should be prohibition against unfair charges. We specifically point out the unfair minimum balance charge. We believe that should be outlawed.

I see the Minister for Employment and Immigration (Mrs. McDougall) is leaving the Chamber. She is blowing me a kiss. I do not know why she is leaving during my very clear and precise expurgation of this Bill. She could learn something about UI since I will be getting to that in a minute.

There are certain charges that we believe should be outlawed. We have specifically named them in my Private Member's Bill which will be brought out shortly in the House. One is this minimum balance charge and the other is the NSF charge-back. The NSF charge-back is not in force for small businesses. It has to be applied to small businesses.

Another proposal we are making to the Minister which seeks to amend the Bill is to provide a financial services ombudsperson. This is not the smoke and mirrors imagery that I created a little while ago but in fact a person who is impartial and outside the banks. There are no mirrors here, no Snow White's stepmother. This is a financial service ombudsperson to whom consumers can go, with whom they can negotiate. The ombudsperson will be a referee and report to Parliament on a regular basis. That is the prince that will come. It is the only way to save Snow White. To surrender Snow White into the hands of these 167 dwarfs across the way is to say that the whole question of regulating bank service charges is hopeless. We do not believe that.

The Government can move in this direction to assure Canadians that in fact when they deal with financial institutions they are being dealt with fairly.

• (1640)

I talked about the privileged position which banks had in this society. I want to refer to Mr. Ritchie's closing comments in his speech because I think we have to be concerned. The Minister should be concerned. Here is what he said:

> The truly fundamental question raised by the service charge issue—and here I return to my theme—concerns the proper role of government in regulating behaviour in the market-place. Provided there is adequate disclosure of service charges, there is more than sufficient competition in the financial industry to ensure that the consumer's interest is protected.

Can you believe that? Can you believe that in fact what this bank president is saying is that Governments should stay out of regulating the behaviour of banks. Governments regulate the behaviour of citizens every single day of the year. I cannot do certain things in this House. I cannot take it all off on the street. You cannot drive your car beyond certain speeds in certain areas.

Mr. MacKay: Oh, yes, you can.

Mr. Rodriguez: You cannot drive your car beyond certain speeds in certain areas. You can, but society regulates that. If you are caught you are charged.

In this particular instance he is saying that banks which hold this privileged position of oligopoly should be allowed to do whatever it is they want to do. Their behaviour should not be circumscribed by the same body that gave them their charter in the first place, that gave them this privileged position. That is what he is saying, and that is something that we cannot accept. To establish certain basic ground rules does not prevent Mr. Ritchie and his other compatriots in the banks from having what passes for competition.

I see you, Mr. Speaker, giving me the two fingers. Does it prevent them from doing that? It does not do that, but I think there is certain minimal behaviour which must be regulated, and I have described those.

We are not able to accept this Bill. We are opposed to it. We see no point in proceeding with it because we are not interested in playing powder puff games. It is smoke and mirrors. It really does not deal with the problem that Canadians are having with banks.

It was not just notification or the whole rigmarole of notifying them in the prescribed fashion. That was not the problem we heard about. That was not the problem at all. The problem was the variance of service charges and the amounts. That is what concerned them, the exotic nature of those service charges and the ever increasing amounts.

In light of that, Mr. Speaker, I move, seconded by the Hon. Member for Port Moody—Coquitlam (Mr. Waddell):

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "Bill C-9, an Act to amend the Bank Act, be not now read a second time but that it be read a second time this day six months hence".

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The House has heard the terms of the amendment. Continuing debate with the Hon. Member for Markham.

An Hon. Member: Will there be comments and questions?

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 74 the first three speakers had 40 minutes with no questions or comments.

We are now entering into the second phase where we will have 20-minute speeches plus 10 minutes of questions and comments. The Hon. Member for Markham has the floor.

Bank Act

Mr. Bill Attewell (Markham): Mr. Speaker, I am particularly proud today to speak to Bill C–9, an Act to amend the Bank Act, inasmuch as I think it is honest and fair to say that I was the first MP to raise this topic about two and a half years ago. It was not the NDP. It was not the Liberals. It was the Conservative Party.

In my current riding of Markham and in Whitchurch–Stouffville I have heard a number of complaints in the past on this subject. I would like to walk through a bit of history on this Bill. Sometimes when we arrive in this House we wonder if we can actually take an issue from the riding level where people are concerned, bring it to Parliament, and actually get changes in the Act. It is clear that the answer is a simple yes on that.

In the fall of 1986 three different constituents had separate appointments with me on this type of problem. I recall that one was a Mr. Malcolm Wilkinson from Citation Drive. His problem involved buying a bank draft. They used to cost $2.50. He used to buy a $10 draft to send to a relative in the U.K. He went in the next year and it cost $4.50. It was only a $2 increase, but it was an 80 per cent increase at that time.

Another gentleman, Mr. Burt Newman of Alimosa Drive, had a problem which rested with the safety deposit boxes. He used to own a business downtown around Spadina. He did not get to the bank very frequently, maybe only once or twice a year. He went down one day to pick up his statements and noticed a charge for safety deposit boxes. He checked his records to find that the increase was well over 20 per cent for that one year. He asked at the bank and, just to make a long story short, he got absolutely no satisfaction in terms of an answer on why the rate was so high, why he was not notified beforehand, and so on. Another gentleman with a long list of complaints had a real problem, the idea of being nickelled and dimed to death.

I directed a question to the then Minister of State for Finance in this House on January 21, 1987. I will just quote briefly from it:

> —we are moving toward re–regulated financial services market–place, and I support that initiative. However, I have received a number of complaints about the excessive increases in bank service charges and the lack of adequate notice. Will the Minister look into this particular problem? Can he assure us that through this re–regulation we will see more competition in the market–place to help combat these apparent excessive increases in service charges?

I had a parliamentary assistant at that time and after that statement we did our own financial analysis of the rates in 1986 verses 1985. We did a simple matrix on this, mostly on large banks and trust companies, and indeed we found that in our view the increases were excessive.

• (1650)

I guess it boiled down to a few problems that were consistent with people to whom we talked, that the increases year over year were too large. Second, there was inadequate notice of the changes that were going to take place. Third, there seemed to be no real route or process where someone could get a valid complaint dealt with.

I talked to the chairman of the Finance Committee and, with all–Party agreement, we got this issue on the formal agenda of the Finance Committee. We began hearings on March 24, 1988. We submitted to the House on June 6, 1988 a series of recommendations, which I would like to highlight.

The committee called upon the Government to strengthen the legal notification requirements of the Bank Act. Second, the committee recommended that a complaint resolution mechanism be required both within the institution and through the Office of the Superintendent of Financial Institutions.

Third, the committee proposed that banks be required to provide accounts offering basic banking services.

Fourth, the committee called for the removal of charges that are widely perceived as unfair to individual Canadians. The idea was that if one received an NSF cheque, even as the receiver, had to pay a fee at the time. That idea has since been dropped by everyone. Finally, the committee proposed stiffer penalties for contravention under the Act. The vast majority of the committee's recommendations were accepted. Regrettably, last year the draft legislation died on the Order Paper.

I am very pleased that our new Minister of State for Finance (Mr. Loiselle) acted with such haste and alacrity in developing Bill C–9 quickly and introducing it into the House on April 13. Here we are now discussing it. We want to move it along.

I want to share a few highlights of this latest piece of legislation. The Minister said: "The legislation will enable customers to shop around and make informed choices about banking services".

The new rules relating to personal deposit accounts will require enhanced disclosure in a number of ways. They include brochures that are available to bank customers and the general public, full disclosure of account related charges when an account is opened, at least 30 days advance notice of changes in charges or the introduction of new charges relating to customer accounts. Similar disclosure will be required for a core list of charges applicable to business deposit accounts. I particularly applaud the Minister for that step.

The legislation also requires that banks develop clear procedures for the filing of customer complaints. Quite markedly, the Act also proposes very stiff penalties for a contravention of this Act. It goes from $1,000 to $500,000, which I happen to believe is very significant.

I will highlight some of the Act itself. The trouble really rested in Section 201 (6) (b) of the previous Act which stated:

> —prescribing the manner in which any charges for the keeping of an account are to be disclosed to a customer, and when such disclosure is to be made; and—

One can see that it was too weak and open ended. That is certainly being tightened in what is proposed in Bill C–9.

In conclusion, it has taken two and a half years since the initial complaints in my riding came to my attention. I wish it could have moved faster, but I am pleased that it is at this stage now. I again commend the Minister for dealing with this so quickly.

There may be other ideas when the Finance Committee deals with this matter, as I hope we will, but all in all let me say that I think the proposals are generally fair and equal and go to the heart of the matter, which is to provide more protection to the consumer and small business person.

With your permission, Mr. Speaker, I would like to move a formal motion. I believe I have the agreement of all three Parties. I move:

> That the Standing Committee on Finance deal with Bill C–9, rather than a legislative committee.

The Acting Speaker (Mr. Paproski): The Hon. Member consulted with me prior to his putting that motion. Since there is an amendment to the main motion, I hope the Hon. Member would come back and reintroduce the same proposal after the amendment has been disposed of.

Therefore, I will proceed to questions and comments.

Mr. Rodriguez: Mr. Speaker, I listened to the my hon. friend. I recall that he was concerned about bank service charges. Indeed, he raised several questions in the House two years ago and possibly, with the questions he raised, it caused the Finance Committee to look into bank service charges finally.

However, I find his position today with respect to this Bill somewhat ambivalent. This Bill does not come to grips with the kind of concerns he was raising two years ago about varying service charges. How can he support this Bill when it does not come to grips with the problem of increasing bank service charges and the expansion of service charges? This Bill simply notifies clients and customers of increases. It does not deal with the basic question of whether that service charge is justified. How can he support a Bill that is virtually hollow? It is a shell.

Mr. Attewell: Mr. Speaker, I thank the Hon. Member for Nickel Belt (Mr. Rodriguez) for his question.

I think the Bill comes to grips with what should happen in the market–place, in a balanced way. It is clear that the New Democratic Party would like to nationalize banks. We do not happen to think that would be a good step.

Personally, I can say that I think the system is working better than it did two years ago. In my personal experience, I had an account with one of the larger banks for over 30 years. I found that it was not competitive with some of the new accounts that were being introduced by trust companies, for example. Thanks to changes in the market–place and a better awareness by the institutions, I do not pay one cent a month for all my banking services. Previously there was a charge of some $12 or $14 a month, which would be fairly significant over a year.

There is no mistake that there is better competition in the market–place. We do not happen to believe that the market–place works well if it is shackled totally with regulations. I think the Bill goes to the heart of the matter, tackling the issues that should be tackled.

I hope this is not the last time we deal with this issue. I think it is fair to say that most of the senior executives of the banks would admit that perhaps the rate of increases were too harsh and got away from them, and that perhaps their reaction to customer complaints was too insensitive. I suggest a major change has taken place in

the attitudes of the banking community and trust community. I think that is progress in itself.

I am basically in support of the Bill. I think changes have taken place. I do not think the Hon. Member is setting the record exactly straight when he suggests that nothing has changed.

• (1700)

Mr. Simmons: Mr. Speaker, first of all, the gentleman from Markham is absolutely right. He was the person who first raised this issue. Indeed, a note that was passed to me a day or so ago said exactly that. We believe in giving credit where credit is due. There is a kick, of course. We like to attribute blame where it is due as well.

The Hon. Member should first take full credit for any small improvements this Bill represents since the time he first raised the issue. Equally, he will have to take the blame because the Government appears to have paid only lip service to the Hon. Member's well intended intervention and has in effect caved in to the banks.

Does the Hon. Member now intend, before his whole project is completely sabotaged and torpedoed, to undertake to knock some sense into the Minister and get the improvements he had in mind in the first place? He himself is a financial officer. He has experience and knows exactly what I am talking about. If he were completely candid right now, he would tell us that this is just a very small step in terms of what he intended when he first raised this issue. What does the Hon. Member have in mind now for committee stage in order to knock some sense into the Minister and get the improvements that would make this Bill worthy of its name?

Mr. Attewell: Mr. Speaker, I thank the Hon. Member for his question. The process will work. The Bill will go to committee. Of the 14 members who were on the committee in the last Parliament, only three are now members of that committee. There are 11 new members on the committee, and I think the Hon. Member will find that my style and approach is to get to know the new members and hear their views on various Bills.

We do not pretend to have all the answers. I think the members who sat on the last committee will testify that there was a great degree of consensus reached on the committee. It was not as if only one side carried it. Indeed, the final recommendations we made were, by and large, supported by all Parties. I think it would be a bit unfair to prejudge before we actually hear from the other members of that brand new committee just what thoughts they have on this subject.

I will return to the comments I made in my summary. I believe that, by and large, this is a good step forward. It gives better protection to the consumers of Canada. The Hon. Member is correct in that I have a bit of experience in this area. I served for over 30 years in the finance and trust business so I bring a bit of perspective to the inner workings of these companies.

The Hon. Member may know that the whole approach to customer service has changed pretty markedly in the last 10 years or so. In the past the spread that the banks and trust companies had between deposits and loans literally looked after all these services. As pressure grew on that spread they, like many different industries, moved to a fee for service approach. I believe that in some cases they got a little too aggressive on the range of fees and the rates of increase. We have come down hard on those areas and they know that voluntarily those things will not be permitted.

The public is much more aware because of the effort made in this whole process over the last two years. Bank officers will tell us that many more people question items on their statements, whereas years ago they would not even attempt to do so. If they do not get answers, they tend to shout in the bank line-ups or pound the desks. I would submit that the public relations area has improved remarkably in the last little while.

When we get to committee, let us see what will happen. If there are other valid improvements that we as a committee should consider recommending, I would certainly want to be a part of that. However, I would not want to prejudge that process. I am basically in agreement with what the Minister of State for Finance has drafted. It is a real step forward.

Mr. Taylor: Mr. Speaker, as my colleague from Nickel Belt so eloquently put it a few moments ago, the Bill that is before us today provides for virtually just another way of shuffling paper. The Hon. Member from Markham (Mr. Attewell), with all of his experience in the industry, should recognize that the provision for the bank to comply voluntarily is an atrocious way to deal with a very serious problem.

I wonder if the Hon. Member could explain to the House how it is that he could support a Bill that calls for the banks to engage in voluntary compliance. We know from past experience in farm matters and other matters affecting many Canadians that the banks look after their own interests. When we are talking about voluntary compliance, we are talking about the interests of the banks, not of the consumers. I wonder if the Hon. Member could explain his support for the Bill in this light.

Mr. Attewell: Mr. Speaker, I thank the Hon. Member for his question. I do not think that this should turn into a bank bashing exercise. There are six large banks in Canada. They are world-class banks and are well managed. There are many trust companies that are well managed as well. I do not think this should be a bank bashing exercise.

I would like to suggest that we start with a philosophy for how we want the market-place to work. Are we going to go to Steinbergs and ask them to submit a list of what price they will sell apples at before they start selling them? Are we going to go to retail gasoline companies and ask them, before they raise their prices, how they will do it? Should they come to the big Government to see what should happen?

The Hon. Member for Nickel Belt cited numbers from the banks. I forget whether he mentioned that they were profits or gross revenues. He knows that that by itself means nothing other than the fact that it is a large number. What really counts in measuring the profitability of a business, as the Hon. Member knows, is the return on equity. If the return on equity is 30 per cent I would say that it is far too high, but we will not find it at that level. Normally an adequate return for most industries would be in the 12 per cent or 13 per cent to 16 per cent range. This is return on the shareholders' equity, the equity of average Canadians who have invested in these companies.

The Hon. Member knows that, by and large, banks are owned by average Canadians. No one person can own more than 10 per cent of a Canadian bank, so they are very widely held by seniors and by average investors and companies. They want an adequate return on their investment as well. Does the Hon. Member want to weaken the banks?

Let us keep things in perspective when we are talking about this subject. There have been some mistakes made, there is no question. Some banks have become too aggressive. However, let us not take a knee-jerk reaction to this problem. Let us look at it in a rational way. Let us keep the consumer uppermost in our minds, but let us not go overboard in our reaction.

Hon. Roger E. Simmons (Burin—St. George's): Mr. Speaker, I am glad that the gentleman from Nickel Belt is in the House. I listened with great interest to what he had to say, especially the part about the mirrors. I had wondered for years why bankers had those large washrooms with those full length mirrors. Of course, if digruntled bank customers become mobilized, we will see a whole new growth industry in replacement mirrors.

I am delighted also that the gentleman whose initiative brought this Bill before the House is in the Chamber, the hon. gentleman from Markham. I thank him for his response to my question. In responding, he confirmed what I implied in my question when I said that we still have a long way to go in terms of what the Hon. Member set out to do. I am grateful to him for his undertaking that he is not giving up yet. Despite the different styles, I thought that the gentleman from Markham and the gentleman from Nickel Belt were not that far apart in terms of their concerns about this piece of legislation.

• (1710)

I am about to commit the unforgivable sin of crawling into bed politically with someone so far to the left as the Hon. Member for Nickel Belt (Mr. Rodriguez) and so far to the right as the Hon. Member for Markham (Mr. Attewell) by saying that I too share their concerns. There is a real Liberal middle of the road. Any political bed will do as long as the principles are correct.

I am glad to see the Minister of State for Finance (Mr. Loiselle) is present. I want to say something to him, and it is best to say those things directly to someone's face than behind someone's back. This Bill says an awful lot more about the Government's relationship with the banks than it does about the Government's concern for the consumer.

We are debating Bill C-9 in its present form, and I stress the fact that it is in its present form. Thank goodness we have a committee system that works, and on this Bill it has its work cut out for it. I am grateful to the Hon. Member for Markham who has proposed, and will do so formally later in the debate, that this Bill go to the Finance Committee. That is the place for it, and we will support that.

We believe that certain improvements can be made. We do not believe that we can support the Bill in its present form, but we believe that the Bill is on the right track. It requires major surgery, and we hope some of that surgery will take place at the committee stage before we are asked to give our final commitment in terms of where we stand on the Bill.

I now wish to talk about banks, but before I start talking about his friends in the banking business, perhaps the Minister may want conveniently to leave and get a cup of tea or something. Let me put the following question to the Minister first.

In closing the debate at this stage, perhaps the Minister could verbalize what he sees as the possibilities for federal trust companies and those under provincial jurisdiction in ensuring that they too are governed by the provisions that will be in the improved Bill when we are finished with it in committee.

Is there ever a subject that one would like to talk about at greater length and with more emotion than the banks, particularly if one lives in a small rural community in Newfoundland. I suppose the same could be said of people in many other parts of this great country. Perhaps it is my upbringing, but I get the distinct feeling from the banking business that it is doing you a favour every time you walk into a bank. You feel like you should genuflect or tip your hat. One sees cattle line-ups and ropes. There are not enough tellers. The banks take you for granted, and you stand in line. Have the banks not learned that payroll days come regularly two or three times a month, or every week? Have they not learned that some days they should actually have some staff who are not having coffee?

The banks should do as good a job posting charges as they do making up little "closed" tabs for the wickets. I have gone into a bank and Miss Smith is at that one station, Miss Brown is at another, Miss White is at that one, and Miss Closed is at the other nine. The banks have the facilities but they do not have the attitude. People whip out during their coffee breaks with only 15 minutes to deposit their cheques, because by the time they get off work the bank is closed. What do they do? They stand in a line-up 20-back and wait for one of the three open tellers because the other 9 or 10 are closed off.

It is that attitude, that callousness, that devil may care attitude that the banks exude to their customers which make customers like me suspect all the time. Is it any wonder when one receives that cavalier treatment? There is no other service oriented business, no other sector of the economy that is trying to please the customer, which would do that to a customer.

I get the feeling that there are two classes of customers, if one looks at it from the bank manager's eyes. I say to the Hon. Member for Nickel Belt that when they are not looking in the mirror they are categorizing customers. It is a very simple categorization, and even an assistant bank manager could understand this one. There is the fellow with the gold card and the fellow without the gold card.

For your information, Mr. Speaker, I borrowed this one from a Tory to make my speech. This Tory would like to be a Liberal, and we are working on him, but the gold card kind of stands in his way. There are two classes of customers. In the last few minutes this particular friend told me that he went into a branch where he had had an account for many years. They knew him extremely well, but they were putting him through the hurdles all the time. They were charging him every time he coughed or sneezed. While he was there waiting for the teller to do whatever it was she was doing for him on the other side of the glass, he reached into his pocket and hauled out his wallet—

The Acting Speaker (Mr. Paproski): The Hon. Minister of State for Finance on a point of order.

Mr. Loiselle: I would like to inform the House that it is not my card the Hon. Member is holding. Second, I would like to inform the Hon. Member for Markham (Mr. Attewell) that I will have to leave shortly in order to meet the Minister of Finance from British Columbia.

Therefore, I will not be having tea and crumpet, maybe a glass of whiskey. I apologize for having to leave in a few minutes, but I will carefully read the Hon. Member's remarks as soon as possible.

The Acting Speaker (Mr. Paproski): The Hon. Member for Burin—St. George's is a long time Member. He

knows that there should not be a display of cards or forms, or anything of that nature in the Chamber. We do not wish to have any advertising in this establishment. I was also going to bring to the attention of the Hon. Member for Nickel Belt, who was also displaying a long sheet, to delete all those displays, if possible, please.

Mr. Simmons: The Minister of State for Finance is most gracious, and I understand he cannot stay. I wish to correct him on two points. The fellow who sits over there is the Hon. Member for Markham, and I don't drink whisky.

I apologize, Mr. Speaker. I did not mention the bank, but I do understand, Sir. The point I am making is that there are two classes of customers. As soon as my friend took the gold card, which I am not allowed to display at this time, out of his wallet, the one you don't see, it was spotted by the teller who was allowed to see it. She, bright girl that she was, said: "Oh, you have a gold card. We don't have to charge you if you have a gold card. Why didn't you tell us before that you were a holder of a gold card from this particular bank?"

There are two classes of customer. That is the type of thing the Hon. Member for Markham had in mind, and that is the type of thing we have in mind. Bank attitude cannot be legislated. However, there is an arrogance out there the banks ought to admit to and, more important, do something about.

I mentioned the long line-ups. When I mentioned to a friend that I was going to participate in this debate, he mentioned to me that a few days ago he was in one of those line-ups. He said that he could tell me in detail the business of the lady in front of him, because he had heard the whole thing. He heard the teller advise her that she was overdrawn. That is another issue regarding the configuration of the bank and its line-ups. There is no confidentiality in those banks. You cannot go in and discuss your personal financial business. You can get appointments, I suppose, and wait the required six weeks or so. I am talking about trying to do a spontaneous transaction, when you have to come in from the street and go into the bank to do something. You should not be told in the hearing of several other people that you are overdrawn, for example.

• (1720)

To move quickly to another point, the banks in this country, by and large, have abandoned the small outlying areas, the less populated parts of the country. If I had time I would love to take you all to God's country, to my riding of Burin—St. George's, and to the Isle aux Morts. The Francophones call it Isle de Morts. We know in Newfoundland it is the Isle aux Morts. Then there is Middletown, Terrenceville, and Rose Blanche, but you would not find a bank anywhere because there is not one. There are a couple of thousand people in each of those communities, but there is not a bank.

The attitude is that these people should go up the highway anywhere from 30 to 90 miles if they want to get to a bank. There is not even a bank there one or two days a week. These people, through no fault of their own, are still back in the days of the mattress and the sock. They do not have basic services that are available to many other parts of this country. Why? My friend from Nova Scotia knows exactly why. Greed, not service, is the overriding preoccupation of those banks, by and large.

The Government should be very comfortable with that concept. It is the same concept the Government is allowing to go forward in railway abandonments, postal closings and airline deregulation. The watchword out there is greed. It is a situation of grab all you can and forget service to outlying areas; forget the areas of less population. If people are not living in Québec, Toronto, Niagara or the satellites of Winnipeg and Vancouver, tough titty as we say.

Some Hon. Members: Oh, oh!

Mr. Simmons: The same attitude is reflected here. That is why this Government is so comfortable with it. It is the very philosophy this Government practises on the people of Canada. Is it any wonder that the Government is standing idly by allowing the banks to practise the same philosophy on Canadians?

Let us talk about the loan policy of banks. If you wonder why I am off on these delightful tangents, Mr. Speaker, it is because I said this Bill requires major surgery in committee. The more I think about it, it may need a transplant or two in committee. The loan policy is a subject that can get me hot and heavy if it were not so late in the day. The only people who can get a loan in the bank these days, without being hassled, are the people who do not need one. Do you realize that, Mr. Speaker? The only people who can walk into a bank and get a loan are those who do not really need a loan. The security, the collateral the banks insist on, is usually several times the exposure involved in the loan.

The ceiling loan authority of that poor fellow behind the desk with the bank manager's sign on it is so low that he has to make a phone call almost every time a person walks in the bank to borrow for any amount. If these people are worthy of the title bank manager—and I am not suggesting they are not—it seems to me that in the interest of serving people and providing good service they ought to have more authority. To my earlier point, the loan policy ought to be one that protects the banks but not to the point of harassing the consumer, the would-be borrower.

You have been wondering, of course, while I have been speaking, Mr. Speaker, how I am going to look my bank manager straight in the eye when he reads my speech. The answer is right here in my notes.

Some Hon. Members: Oh, oh!

Mr. Simmons: The exception that proves the rule. The best bank manager in the world is located in Springdale, Newfoundland—

Some Hon. Members: Hear, hear!

Mr. Simmons: —where I have not worked for 15 years, where there is not a vote for me. Springdale is on the other coast of Newfoundland, 400 miles from my riding, but he is the best bank manager in Newfoundland. That is why I still do not have to use my socks other than for the normal purpose.

An Hon. Member: Which is what?

Mr. Simmons: My barefooted friends in the NDP would not know what socks are for.

Some Hon. Members: Oh, oh!

Mr. Simmons: I have two or three other points. I have some information on the gold card but I had better not get into that any more. However, I have some other things I want to say before I quit.

Mr. Tobin: The friends of the bankers are over there and they are very smug.

Mr. Simmons: In terms of this particular piece of legislation, the old cliché about too little too late comes to mind. There is still a built-in penalty here for those who accept cheques which turn out to be bouncers or rubbery. Their own business interests dictate and common sense dictates that they, the banks, will check the cheque and the person who proffers the cheque. Even with that check, it is possible for a rubber cheque to get through.

When it does and it is returned and marked NSF by the bank, that person who acted in good faith, and after a thorough check, should not be penalized. This legislation does not cover that, just to make one particular point.

My colleague, our spokesman, the Hon. Member for Gloucester (Mr. Young), indicated to the House that this Bill makes a little bit of progress, but we are going to play wait and see on this. I know for the Minister it is a laughing matter because he has gold cards and he is not one of those who gets harassed by the banks. I understand it is funny for him, very funny, but it is not funny for those people in the small communities. There he goes, out to see his banker no doubt.

Mr. Valcourt: You should watch what you say.

Mr. Simmons: It is too late in the day to be unkind to the Minister, but it is not funny at all for those people in small communities who do not have banking services nor for those people in large communities who are being treated with that cavalier, arrogant attitude I talked about earlier. If you want, Mr. Speaker, I say to the gentleman who is sponsoring this Bill, the Minister from Langelier on that side of the House that they will have to get their heads together with this Party and caucus in committee to make this Bill worthy of its name. Then we will give it full support.

Mr. Waddell: Mr. Speaker, I am tempted to ask the Hon. Member for Burin—St. George's (Mr. Simmons) about whiskey. He suggested that he stopped drinking whiskey. I am tempted to ask him when he stopped drinking whiskey but I certainly could not tell by his speech.

Some Hon. Members: Oh, oh!

Mr. Waddell: He suggests that he is using someone else's gold cards from his Tory friends. I sometimes think that the Tories and Liberals are kind of interchangeable like gold cards. I want his position on the Bill. He talked about everything.

• (1730)

The New Democratic critic, the Hon. Member for Nickel Belt (Mr. Rodriguez), said that in this Bill there is no independent impartial individual who decides whether a service charge is proper in the first place. He used the mirror analogy. I think he made an overwhelming case to show that the banks were regulating themselves, that the foxes were in charge of the hen-house.

I ask the Hon. Member if he is he was really supporting this Bill. If he is, then I do not understand why he is supporting this Bill.

Mr. Simmons: Mr. Speaker, I thought I had made it clear but before I respond to the second question, let me respond to the first point. The answer to the whiskey question is that I have never quit because I never began. However, that is another issue altogether.

I thought I made it clear that at this stage we cannot support the Bill. I thought I had made it clear to him that we do not think there is enough transparency disclosure. We think there ought to be more signage in the banks. I believe I had implied that as I went through.

I certainly, in one of my last points, mentioned the other major reservation we had about the Bill, that is, that these people receiving those bad cheques in good faith ought not to be penalized. There are two or three points that he obviously missed on the way through, so I will talk more slowly the next time. I guess my short answer to him is: "Meet me in committee, Louie".

The Acting Speaker (Mr. Paproski): The Hon. Member for Cumberland—Colchester on a question or a comment.

Mr. Casey: I have just a few observations. The Hon. Member for Burin—St. George's (Mr. Simmons) referred to me in his speech so I thought I should respond a little.

First of all, it is not my gold card either, Mr. Speaker, that he has. I want him to make that clear. He suggested that the gold card makes two classes of people, and I think that that is not right. I should say that I do not want this to be construed that I am here to defend the banks, because I am not. A gold card does not make a second-class citizen or a first-class citizen. You buy the gold card and you use it for services, the same as you buy a card to get on the buses downtown. You can get on the bus with a card or you can get on the bus with money. It does not make any difference.

The other point he made was that he invited us all to go to Ilse aux Morts where there are no banks. Probably even more important, there are probably no car dealerships in Ilse aux Morts or bookstores either. I do not know. I have never been there, but I would be welcome to accept his invitation to go at any time.

I would just like to mention that recently the Lloyds Bank was going to close a branch in my constituency in Truro, Nova Scotia. We asked them to reconsider that and they did. We appreciated it in our constituency that they did reconsider their plan to close the bank. They left it open and they re-manned it and it is up and away again. My only question would be: When will I get my invitation to Ilse aux Morts?

Mr. Simmons: I thank my good friend for Cumberland—Colchester. He will be aware that Truro is a long way from Ilse aux Morts. Physically it is a long way but in other ways it is a long way as well. He is a car dealer. If you listen to him long enough you would think he is a used car dealer. He states that the card does not make the difference. He gave us the answer as to what does make the difference. Money makes the difference, money. He stated that there were no car dealerships in Ilse aux Morts. Come on down, come on down. I will tell him that until he gets there and sets up a dealership, I will tell him what is in Ilse aux Morts—people who work 12 months around in fishing boats and fish plants. What is in Ilse aux Morts is this: a very big payroll, a very big year-round payroll, and no place to put it except in socks.

The Acting Speaker (Mr. Paproski): I am going to recognize the Hon. Member for Humber—St. Barbe—Baie Verte, and then I am going to recognize the Hon. Member for Mississauga South, and that will be it for the questions and comments. The Hon. Member for Humber—St. Barbe—Baie Verte.

Mr. Tobin: Mr. Speaker, I would like to address a comment and a question to my colleague who just gave a very powerful and compassionate speech, one that empathizes not with the car dealers of the planet and not with the woolly-eyed socialists who in their attempt to reach Utopia want to nationalize all the banks, but one that empathizes with ordinary Canadians. That is the difference between the Party that thinks that the bottom line is the car dealership and the Party that thinks the bottom line is theory. This Party is concerned with flesh and blood people.

Because there seems to be some confusion among those who occupy the extremities of the Canadian political thought, the doctrinaire people, those on the right and those on the left, I would like to give the Member a chance once again to make clear exactly what he said.

I would like to ask the Member if in fact what he is saying is that this Party believes in the free enterprise system, believes in the banking system, and believes we can make this Bill better in committee. I would ask him to be crystal clear for Canadians who are paying attention to this debate, whether or not what I heard him say is that no, unlike the Conservatives we do not believe the banks should regulate themselves, and unlike the NDP who are on record in their policy convention and their policy handbook and have passed it as party law, we do not believe in nationalizing the banks either. Can he make clear to us that the Liberal position is the pragmatic one.

Mr. Simmons: All of the above. Mr. Speaker, I could not have said it better myself. The fellow must be from Newfoundland. I would like to thank my friend and colleague from Humber—St. Barbe—Baie Verte. He hits the nail right on the head. This Bill and this debate is all about where we are really coming from philosophically. It is easy for the Hon. Member for Markham or the Minister from Langelier to get up and soft-pedal and try to tell us that this bit of puff we have here called Bill C-9 is going to change the banking world. It is equally easy for the gentleman from Nickel Belt, somewhere in the middle of his aerobics display, to tell us that all is wrong with the world. Somewhere in between lies the truth, and there are the Liberals too.

Some Hon. Members: Hear, hear!

Mr. Simmons: Mr. Speaker, as I implied, some of my best friends are bankers. God knows I need them.

An Hon. Member: I would not admit it in public.

Some Hon. Members: That is the difference, that is the difference.

Mr. Simmons: You come here often. If in committee we can have some good will in this regard, if we can get members of the Finance Committee, presuming the House so directs that it will go to the Finance Committee, to make some fairly major changes all within the spirit of the Bill. There is nothing wrong with the spirit of the Bill, but once it gets beyond spirit it is very short on substance. We want to give it a little more substance in committee. At this stage we cannot support it. Would somebody explain it to him, because I have said it two or three times, at this stage, second reading—are you with me—

Some Hon. Members: Yes, yes.

Mr. Simmons: —we cannot, do not, and will not support the Bill.

An Hon. Member: That is what your opening speaker said.

Mr. Simmons: He said nothing that was contradictory with that.

An Hon. Member: He did, he did.

Mr. Simmons: I am telling you, rest at ease, go back to sleep, do not worry about it. We are not going to support the Bill at this stage. But, Mr. Speaker, at another stage because the spirit of the Bill we need—

An Hon. Member: Maybe tomorrow you will have a different position.

Mr. Simmons: No. No. At this stage of the Bill.

An Hon. Member: Now you are talking Liberal.

Mr. Simmons: I think they got it, Mr. Speaker. At this stage of the Bill we will not support it. We want to get it in committee. Depending on what happens in committee we will let them know whether or not we are going to support it. That will depend on whether or not we are prepared, as a House, to put some substance in the Bill to protect the Canadian consumer.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member for Mississauga South on a question or comment.

Mr. Blenkarn: It would seem that to get the Bill into committee we would have to get the Bill out of the House on second reading. The Hon. Member will know that the New Democratic Member from Nickel Belt has moved an amendment that the Bill be given a six-month hoist. Should that motion pass, the Bill would never go to committee and we would never have any Bill that we might get our teeth into to control bank service charges.

• (1740)

Is it the view of the Hon. Member and the view of members of his Party that we should support a delay of this matter and let the banks run their own show the way they have been doing it or would he really like to have the Bill sent to committee? Apparently the Hon. Member for Nickel Belt (Mr. Rodriguez) would not want the Bill even to go to committee.

Mr. Simmons: Mr. Speaker, it is obviously late in the day. I want walk to the gentleman from Mississauga South through the process one more time.

It is implicit in my statement that we want to see the Bill in committee. It is implicit in that statement that we do not want to see it delayed for six months. That ought to be crystal clear to the illustrious chairman of the Finance Committee, a man who has been known even in the heat of an election to stand on his principles. Even when his Minister of Finance (Mr. Wilson) was telling the country one thing about revenue neutral taxes, he was prepared to bare his soul. He told the whole world that by his guestimation the national sales tax would bring us at least an extra $1 billion.

Mr. Tobin: Fourteen billion!

Mr. Simmons: He was low even on the $14 billion. The estimate now is $22 billion.

The point I make is that that gentleman has long been on the side of truth even when it has hurt him in his career path. I say to him that we want to see the Bill in committee. We do not want to see it get a six-month hoist at this time.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome the opportunity to speak to this Bill, after listening all afternoon to the comments of my colleague, the Minister of State (Finance) (Mr. Loiselle) and Opposition Members.

Mr. Speaker, the Minister of State (Finance) today proposed second reading of a bill that provides for major improvements in those provisions of the Bank Act that are mainly concerned with disclosure of service charges.

As you know and as the House knows, Mr. Speaker, Bill C-9 is based on the policy set forth in previous Bill C-140 which also concerned service charges.

However, unlike its predecessor, Bill C-9 also applies to business deposit accounts.

This afternoon, I heard Opposition Members talking about small businesses. As we know, however, this policy was formulated after exhaustive consultations with members of small business groups. Thanks to the very useful contribution made by these groups, the Government is now proposing to improve the standards for all deposit accounts.

I would like to give a summary of what the Bill will do for businesses.

First of all, the Bill responds to one of the main demands of small business groups, which is to ensure access to information on what a bank charges for its services.

The Government intends to oblige banks to make available to the public a list of all ordinary charges related to banking services, not just the charges that apply to personal deposit accounts.

Mr. Speaker, this provision is important, not just because it meets the demands of small businesses but also because it gives all Canadians the right to obtain information so they can shop around and make a considered decision with respect to their banking operations.

Under the new Bill, businesses will also have access to brochures that will indicate the service charges applying to the various deposit accounts offered by Canadian banking institutions.

Before it can modify the charges on business accounts, especially those of small businesses, a bank must give thirty days notice to the holders of such accounts. This requirement will apply to the services specified in the draft regulations, which represent the majority of service charges paid by small businesses.

The Bill acknowledges that like consumers, businesses may be faced with problems that require the bank's attention. Consequently, under this Bill businesses will have access to the same complaint settlement mechanisms as holders of personal accounts, and they will have that access both through the institutions and through the Government.

One may wonder, Mr. Speaker, why the Government did not act to eliminate the charges on business accounts when a customer pays with an NSF cheque. The decision to remove these charges for personal accounts was made voluntarily by some institutions last June. It was not a Government decision. However, I think that, unlike individuals who often have few convenient alternatives, companies can use other payment methods.

Mr. Speaker, it seems to me that this Bill, although it does not completely satisfy the Hon. Member for Nickel Belt (Mr. Rodriguez), should be passed on second reading as soon as possible and referred, as the opposition parties and the Government wish, I think, to the Standing Committee on Finance for in-depth study, so that it can come back to us for final passage as quickly as possible.

You will understand, Mr. Speaker, that the sooner the Bill is passed, the sooner Canadian consumers will benefit.

Mr. Waddell: Mr. Speaker, my question is for the Parliamentary Secretary. He talked about consumers' freedom to choose among the banks. I think that it is often difficult to change from one bank to another if someone does not like the service charges.

Does the Hon. Member agree with what I said about it often being difficult, if a consumer does not like the service charges, to change banks? That is why I believe this Bill is inadequate.

Mr. Vincent: Mr. Speaker, it makes no difference; I still disagree with the New Democratic Party.

From having worked in the field, Mr. Speaker, before entering this august Chamber, on the contrary, I think that there is competition in the area of bank services, as in any other sector. There is healthy competition.

The consumer, whether an individual, a company or a small business, who does business with a bank, or with a *caisse populaire* in Québec, and who is not satisfied with the treatment he is getting can easily do business with another financial institution and obtain the benefits he desires and the financing he needs, be it personal or for business.

Looking at the number of banking institutions in Canada—banks or any other institution providing financial services—I believe that there are many and competition is very strong. Strong competition means service must be good, at a reasonable cost, if the financial institution is to survive and prosper.

So I think it is easy to change banks at any time to get the services one wants.

Mr. Waddell: Mr. Speaker, I want to ask a supplementary question to the Parliamentary Secretary. For example, will someone who got a mortgage from a bank and who does not like service charges be able to transfer the mortgage to another bank? There will be charges to pay and I don't think he can avoid them.

Mr. Vincent: Mr. Speaker, when a consumer signs a mortgage agreement with a financial institution, he is informed of the related charges. And if he is not happy with those charges, he can shop around and get a mortgage elsewhere under the terms he wants. And it can still be done, Mr. Speaker. We often see taxpayers and consumers who change financial institutions when their mortgage comes due. I don't think there is a problem in that respect.

• (1750)

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Sudbury on a question or comment?

Mrs. Marleau: First of all to my hon. colleague from the West Coast, I am the Member for Sudbury. I think I look a little different from your colleague in front of you.

Some Hon. Members: Hear, hear!

Mrs. Marleau: To the Hon. Member across the way, he tells this House that there is a great deal of competition out there with banks. I do not know exactly what area he comes from, but there are many areas in this fine country of ours that do not have a lot of banks and therefore there is very little competition.

[*Translation*]

You talked about credit unions. The question I am asking you is this: I have been told that credit unions are totally regulated by the provinces. Is that true? If it is, this Bill will not control credit unions or other financial agencies at all. It will only control the big banks, right? Can you explain that to me? That is why we do not support the Bill as it now stands.

Mr. Vincent: Mr. Speaker, I would first like to say that I agree on one point with my colleague from Sudbury (Mrs. Marleau): She looks much better than the Member from the New Democratic Party. On that, we are in complete agreement.

It is true, Mr. Speaker, that credit unions come under provincial jurisdiction. I mentioned them a few moments ago because I was saying that consumers have the option to do business with several financial institutions. I took credit unions as an example, but I could have referred to certain trust companies who also offer financial services. I mentioned credit unions in that context.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate, the Hon. Minister, Government House Leader.

Mr. Lewis: Mr. Speaker, I appreciate your recognizing me. I would move pursuant to Standing Order 26(1):

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of second reading of Bill C-9, an Act to amend the Bank Act.

Mr. Waddell: On a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Port Moody—Coquitlam.

Mr. Waddell: Mr. Speaker, I believe I was next on the list to speak. It seems to me that the Minister has been, with respect, kind of smuggled in here to get up and make the motion.

The Acting Speaker (Mr. Paproski): I have been very generous today with opposite sides taking turns. Once a Minister rises, I must respect the fact that the Minister is in the Chamber and wishes to speak. I was not aware that this motion was being put. I figured he wanted to speak on the Bill. Therefore I have recognized the Minister.

The House has heard the terms of the motion. Would those Members who object to the motion please rise in their places?

And more than 15 Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 26(2), the motion is deemed to have been withdrawn.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. Your Honour was kind enough, in your generosity, to say that you have been fair today and that you did recognize the Minister thinking that he was going to speak. Therefore I wish the Minister would speak now since he took the floor to speak. Instead he gave us a fast one as they say in baseball. We are here to listen to the Minister, since the Minister was recognized and given the floor.

The Acting Speaker (Mr. Paproski): The Hon. Member for Port Moody—Coquitlam.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I might say that I am in agreement with the Hon. Member for Saint-Denis. He is absolutely right. When you play those kinds of games it comes back to haunt you in this House, and the Minister should know that.

Anyway I have got to wind up on the debate. I have one minute, I gather. Our position in the NDP is clear on this Bill. As the Hon. Member for Nickel Belt said, we do not want half a loaf, a quarter of a loaf, or a tenth of a loaf; we want the whole loaf.

Ordinary Canadians have to meet these bank charges, these growing service charges. The banks are pulling in the money on this to pay off, as the Hon. Member said, their external debts. We want some teeth in a Bill so that Canadians will not be gouged by service charges from banks which have a history of doing so. That is why we had the issue referred to a committee in the first place. I am disappointed that the Government did not come back with a Bill with some teeth in it to show Canadians that in fact it has responded to the needs out there.

I wonder if I might be able to speak on this Bill tomorrow. I am not sure, but I think the House will adjourn at six o'clock.

May I call it six o'clock and continue my speech tomorrow with respect to the banks.

The Acting Speaker (Mr. Paproski): The Hon. Member will have 19 minutes, plus 10 minutes for questions and comments.

[*Translation*]

It being six o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 27, 1989

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

LEAK OF BUDGET DOCUMENT

Mr. Wilson (Etobicoke Centre): Privilege, Mr. Speaker.

Mr. Turner (Vancouver Quadra): Privilege, Mr. Speaker.

Mr. Speaker: Before hearing Hon. Members, I want to advise the House that I have a number of applications of privilege. As the House knows, they must be heard in a certain order. The order is as they were received.

They are in the following order and these are the Hon. Members who have put forward their questions of privilege. The first in order is the Hon. Minister of Finance (Mr. Wilson).

Some Hon. Members: Hear, hear!

Some Hon. Members: What time?

Mr. Speaker: Eight thirty p.m.

Mrs. Campbell (South West Nova): My privilege!

Mr. Speaker: If the Hon. Member has a point of order, I will hear her. If she has a question of privilege, then I will receive her notice. However, I have not received it.

As I say, the first was received at 8.30 p.m. from the Minister of Finance. The second was received from the Right Hon. Leader of the Opposition (Mr. Turner) at 11.22 p.m.

Some Hon. Members: Oh, oh!

Mr. Speaker: The third was received from the Hon. Member for Kingston and The Islands (Mr. Milliken) at 11.25 p.m. The next was received from the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) at 11.40 p.m.. The next was from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) at 11. 44 p.m. The next was from the Hon. Member for Parkdale—High Park (Mr. Flis) at 10.13 a.m. today.

I will hear the Hon. Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Point of order, Mr. Speaker.

Mr. Riis: Point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I move, seconded by the Hon. Member for Windsor West (Mr. Gray):

> That the Right Hon. Leader of the Opposition now be heard.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Ottawa—Vanier has moved a traditional motion that another Hon. Member be now heard. That is properly a matter for a debate. In my view, having set out the fact that we have questions of privilege here which take precedence over other things, I think I am bound to proceed as I indicated I would. The Hon. Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Riis: Point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Kamloops (Mr. Riis).

Mr. Riis: Mr. Speaker, the Minister of Finance (Mr. Wilson) is attempting to rise on a point of privilege presumably based on the leak that occurred yesterday.

Some Hon. Members: Theft!

Mr. Riis: I believe that this is out of order. I believe that this is a diversionary tactic because if Your Honour will refer to Beauchesne's, Citation 82, Your Honour will see that it states:

> A question of privilege must be brought to the attention of the House at the first possible opportunity.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, you will recall that on a number of occasions you had to rule questions of privilege out of order because they were not raised at the earliest possible moment.

Privilege

• (1110)

Last night at 5.30, Global Television informed the office of the Minister of Finance, his officials, that they had the contents of the Budget and read out the details of the Budget at 5.30. At 5.55 the House Leader for the Government and the Deputy Prime Minister came into the Chamber and asked that the sitting of the House of Commons be extended. I contend that the Government and the Minister of Finance knew at 5.30 that there had been a leak of his Budget. That was the time for the Minister of Finance to have been on the floor.

Some Hon. Members: Hear, hear!

Mr. Riis: We are seeing parliamentary practices breached, parliamentary traditions breached, 500 years of tradition breached. The honourable thing for the Minister of Finance to have done, at the first and earliest opportunity which was before six o'clock yesterday, was to come into the House of Commons and indicate at that point to the House that a breach of security had occurred, and that he was not going to present the Budget the next day as per the Standing Order. He would have done that as an honourable and respected member of the Crown. That is what ought to have happened. That is why I contend that this request by the Minister of Finance for a point of privilege is out of order.

Some Hon. Members: Hear, hear!

Mr. Speaker: I have heard the Hon. Member. It is certainly true that a question of privilege should be raised as soon as it is reasonably possible. I point out that we have a number of questions of privilege raised, and I have them here, at different times. I do not feel under the circumstances that it would be appropriate to cut off the Minister of Finance, and I recognize him.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I rise on a point of personal privilege.

Mr. Speaker: I will hear the Hon. Member for Ottawa Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, we are rewriting the rules of this House at this time. A motion that another Member be heard is always in order by all traditions at any time.

An Hon. Member: Challenging the Speaker.

Mr. Gauthier: I am not talking to the Speaker. I am reminding this House that we are rewriting the book, and I disagree with that.

Mr. Clark (Yellowhead): Challenging the Speaker. Shame.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I rise on a point of personal privilege. I want to take the earliest opportunity to explain to this House the extraordinary events that occurred last night.

An Hon. Member: Sit down.

Mr. Wilson (Etobicoke Centre): Shortly before suppertime yesterday—

Ms. Copps: Resign.

Mr. Wilson (Etobicoke Centre): —employees of Global Television informed officials of my Department that an anonymous telephone caller had read to one of their staff—

An Hon. Member: What time?

Mr. Speaker: I would like to advise all Hon. Members that we may be in for quite a long debate today. Hon. Members will note that I said debate. I think that debate requires the right of all Hon. Members who wish to contribute to be heard by other Hon. Members. The Hon. Minister of Finance.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, shortly before suppertime yesterday employees of Global Television informed officials of my Department—

Some Hon. Members: What time?

Mr. Wilson (Etobicoke Centre): —that an anonymous telephone caller had read to one of their staff members information that purported to be part of the Budget.

Some Hon. Members: What time?

Mr. Wilson (Etobicoke Centre): Shortly thereafter in a news broadcast the network displayed that document and made public certain details indicating—

Mr. Speaker: The Speaker is fully aware that the issue that we are addressing at the moment is a very important one, both historically and in the conventions of Parliament. There is another convention of Parliament, that the Hon. Member who is an experienced Member of Parliament also understands, that there is free speech in this House. That means that a person should be listened to when they have the floor. The Hon. Minister of Finance.

Mr. Wilson (Etobicoke Centre): Shortly thereafter in a news broadcast the network displayed the document and made public certain details indicating that it was in fact a printed document entitled *The Budget in Brief* which was part of the Budget package scheduled to be presented to this House today at five o'clock.

An Hon. Member: Where was it printed, Mike?

Mr. Wilson (Etobicoke Centre): The premature release of details of the Budget appears to have resulted from a breach of trust, a wilful criminal act against which there can be no certain security.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have asked the RCMP to investigate to determine how this occurred and who was responsible.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I am advised by my officials that this violation did not result from negligence, carelessness or lack of proper security arrangements for the Budget documents. The Budget documents are produced under tight security in my Department.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): When ready for printing, they are conveyed to the Government printing plant and proofs returned to the Department under equally tight security. The printed documents themselves are stored in a secure area—

An Hon. Member: How secure?

Mr. Wilson (Etobicoke Centre): —and when shipped, are accompanied by security personnel.

There are two essential considerations underlying budgetary secrecy: The need to ensure that a person does not profit or otherwise gain advantage from advance knowledge of the content of the Budget, and the principle that the Government's financial policy should be disclosed to the House of Commons before it is made known to others. In the present circumstances in which the Budget has been the subject of an unauthorized disclosure, the Government approached the opposition Parties in this House to ask for their co-operation in approaching the Chair to seek a special sitting of the House last evening in order that I might have presented my Budget before the House immediately. Unfortunately, the Opposition Parties did not see their way to co-operate in seeking a special sitting of the House of Commons.

• (1120)

Mr. Langdon: Point of order.

Some Hon. Members: Order!

Mr. Wilson (Etobicoke Centre): Mindful of the importance of not permitting any individual from profiting or gaining other advantage from advance knowledge of the content of the Budget—

Mr. Tobin: Why didn't you come at six o'clock when you knew?

Mr. Wilson (Etobicoke Centre): —accordingly, the Government concluded that the prudent course of action was to make the Budget public immediately, and that was the course of action followed last evening.

Before doing so, I transmitted copies of the Budget documents to Your Honour through the Clerk of the House and to the Leaders of the Opposition Parties. I understand that the Clerk has received these documents and has caused them to be distributed in the normal way.

I regret that this course of action was necessary—

Mr. Skelly (Comox—Alberni): Then resign.

Mr. Wilson (Etobicoke Centre): —since it denied the right of Hon. Members to hear the Budget presented in the House before it was released elsewhere. Under the circumstances I believe it was the most appropriate course of action.

In reaching this decision the Government sought the advice of constitutional experts inside and outside of Government. There was a consensus that the course of action chosen was the only sensible one to take having regard for the principles underlying the tradition of Budget secrecy.

Ms. Copps: What about parliamentary experts? They will tell you to resign.

Mr. Wilson (Etobicoke Centre): I view this matter with the utmost seriousness. That is why I have taken the earliest possible moment to make this explanation to the House. Thank you.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise to speak not only to the Minister's question of privilege but to my own, and I believe on behalf of all Canadians whose privileges have been breached by the negligence of the Minister.

I notice that the Minister was playing to the cameras, as he usually does on Budget afternoon. This is not a matter for the camera. This one is for the House of Commons. This is one of those important times in the history of Canada when no presidential style of Government can prevail. This is the House of Commons of Canada and we will have something to say about that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What we are talking about is absolutely unprecedented in the history of our country. It is unprecedented in the history of our Parliament. It is unprecedented in the history of parliamentary democracy as we know it.

We are dealing with the fundamental role of Parliament, Parliament having the right to approve taxation and approve expenditures as against the Crown, as against the Government of the day. That is why we are before Your Honour on the most serious matter that I can recall in my lifetime in Parliament.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The cause of his life.

Mr. Turner (Vancouver Quadra): Because of the importance of the matter, Mr. Speaker, I know you will allow me the indulgence to bring the full issue before Your Honour, Members of the House and thereby the country.

The role of Parliament is believed to have existed from the year 1265 A.D., when the Commons was first summoned by Simon de Montfort for the purpose of discussing and raising new taxes. This concept is fundamental and historic. We are dealing, therefore, with the principal issue of this country's form of democracy, an issue that stretches back 724 years, an issue with a history that exists from 602 years before the creation of our own Confederation. Since 1265 it has been a fundamental principle of parliamentary democracy that the House of Commons, the elected representatives of the people, have control over all new taxes, all alterations in taxes, and all new expenditures or cutting of expenditures. That is the issue.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Government may try to trivialize this as a minor theft. This is the issue for which, before the British House of Commons, the commoners put a King to death. This is an issue over which the United States went to revolution. This is the fundamental issue of taxation and representation. That is what it is.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister (Mr. Mulroney) scoffs. Before this debate is over the Prime Minister will learn what parliamentary democracy is all about.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Whether or not the Prime Minister or the Minister of Finance (Mr. Wilson) recognize it, the principle about which we are talking is fundamental. It is the principle upon which our parliamentary democracy resides. It is a principle which has been asserted time and time again in the statutes of the western world. It is a principle which was assented to in the British North American Act, 1867 and reconfirmed in the Constitution Act, 1982. It is the principle which is asserted in the written procedures of every parliament throughout the world.

It is the principle which is asserted and reasserted in the unwritten practice of every parliament throughout the world. The primacy of the House of Commons in tax matters is to protect the public. It is not a constitutional myth. It is not a parliamentary fiction. The Minister of Finance comes before Parliament so that no one gets an advantage, a benefit, an insider advantage, and the people of Canada are treated fairly. That is the reason.

Mr. Clark (Yellowhead): Why did you refuse to come to work last night?

Mr. Turner (Vancouver Quadra): The primacy of the House of Commons and budget secrecy have had as their fundamental *raison d'être* the protection of all our citizens from those who could accumulate private gain at the expense of the uninformed.

I say this is a privilege of the House, as a House of Commons, a privilege of every Member sitting in this place, but it is a privilege which we exercise in a custodial and fiduciary fashion on behalf of 11 million Canadian taxpayers and 26 million Canadians. Twenty-six million Canadians must not be prey to those who may have a hidden advantage, an advance over the rest of us, for their own benefit. The present unauthorized advanced release, not of an item in the Budget nor of an individual tax, but of the entire Budget is unprecedented in 724 years of parliamentary history. It is the largest and most serious violation of parliamentary budget secrecy in 724 years and in any parliamentary democracy in the world. I am therefore stunned that the Prime Minister and the Minister of Finance do not understand the primary responsibility of parliamentary tradition and history. The issue is whether the Prime Minister and the Minister of

Finance understand their overriding role as trustees and custodians of our parliamentary system.

• (1130)

The issue is not whether the Minister of Finance personally released information to the news media, the issue is one of trust placed by this Parliament in him because of his role, trust placed by Canadians in him because of his custody over the finances and accounting of the nation.

The issue is not why the Prime Minister and Minister of Finance did not choose the correct course of action immediately upon learning of the largest release of budgetary information in the history of democracy? That is what Canadians want to know. Why, when this was first discovered, did the Prime Minister not come immediately before the House?

Why did the Prime Minister not ask for his resignation? More importantly, why didn't the Minister, to preserve what remaining credibility he has, offer that resignation?

Some Hon. Members: Hear, hear!

Mr. Simmons: Resign. Resign. You do not have the guts to do it.

[*Translation*]

Mr. Speaker, the main issue before the House is not whether the Minister himself is negligent, whether the Minister is personally responsible. In our system of government, he holds a position of trust. He must assume his responsibilities for Finance and for his officials and for everything that goes on under his authority.

So I am very surprised that this Minister has not had the courage, the honesty, in keeping with Parliamentary traditions, to offer the Prime Minister (Mr. Mulroney) his resignation. Since he did not, why did the Prime Minister not ask for his resignation?

[*English*]

There is no alternative in our system of Government. That is why we need a new Minister of Finance, that is why we need a new Budget, and that is why this a non-event under your authorship.

There is no alternative, there is no substitute for meeting the people's representatives in the House of Commons to have a hastily-called budget presentation before the media and thereby to Canadians.

We have a democratic system. We have a parliamentary system. The people of Canada entrust us with the responsibility of reviewing their taxation and their expenses. The Minister of Finance has abused that trust and in doing so he has abused a fundamental principle of parliamentary democracy.

We are talking about ministerial responsibility. We are talking about the integrity of our system. We are talking about the integrity of our form of government. We are talking about the public's confidence in our system.

We are not talking about whether or not the Prime Minister can salvage the Minister of Finance. We are not talking about whether or not the Minister of Finance can survive.

The Prime Minister should already have demanded his resignation and this Minister should have already resigned.

Some Hon. Members: Resign. Resign.

Mr. Turner **(Vancouver Quadra):** In the circumstances before you this morning we consider this to be a non-Minister, a non-Budget, and a non-event.

Budget secrecy is not just some minor rule which the Prime Minister and the Minister of Finance can throw away at whim.

Mr. Beatty: We heard that at the press conference last night.

Mr. Turner (Vancouver Quadra): It is at the heart of how we function as a people. The Prime Minister and the Minister of Finance know that and they cannot avoid it. It is extraordinary, it is shocking, it is disgraceful that in their arguments so far to the public and this morning here in the House of Commons, the Minister has missed the point. He has perverted our system, attempted to blame the Opposition, and not accepted the responsibility for those for whom he is responsible.

I want to deal with the Minister's argument that it is all the Opposition's fault that we are here this morning.

Standing Order 28(3) gives the authority to the Speaker to call the House of Commons back from adjournment if the Speaker is satisfied after consultation with the Government, that this is in the public interest.

Mr. Clark (Yellowhead): Blame the Speaker.

Mr. Crosbie (St. John's West): Blame the Speaker.

Mr. Clark (Yellowhead): You are shameful.

Mr. Turner (Vancouver Quadra): If, Your Honour, you feel, after being petitioned by a Minister of the Crown, particularly the Government House Leader, that it is in the public interest that Parliament be recalled, you can recall it and you have recalled it on other occasions.

Had the Speaker called the House last night, the Opposition would not have been able to prevent the Minister of Finance from at least presenting the House with his taxation proposals.

Standing Order 83(1) explicitly gives any Minister of the Crown the right to table a notice of Ways and Means motion at any time during the sitting. The Minister could have come in here, Your Honour could have called the House back at the House Leader's urging, surely it was an emergency situation. Then the Minister of Finance could have stood up in this House and presented his Ways and Means motion and spoken to it.

Mr. Clark (Yellowhead): Blame the Speaker.

Mr. Turner (Vancouver Quadra): Having failed to resign, the Minister of Finance followed his own incorrect course of action. He followed that course of action and acted improperly.

The Prime Minister and the Minister of Finance are unwilling or unable to seize and to understand that this is a classic, indeed the classic failure, of ministerial responsibility in a parliamentary democracy.

Ministerial responsibility is not just another anachronism, left over from another time, that the Minister of Finance can discard.

Mr. Clark (Yellowhead): Speaking of anachronisms.

Mr. Turner (Vancouver Quadra): It is another fundamental facet, another fundamental principle of parliamentary democracy.

For the House of Commons to perform its functions, for our way of government to work in a fair manner, the Minister has no choice but to accept full responsibility for this, the largest violation of budgetary secrecy in the history of the Parliament of Canada.

I heard the Prime Minister on the radio saying: "Well, if a shop gets robbed you do not punish the shopkeeper, I mean it is the thief's fault". My reply was,"It depends on whether or not the door was locked", and in this case the door was not locked.

The Minister of Finance has been unable to control his Department.

Mr. Clark (Yellowhead): What do you know that we don't, John?

Mr. Turner (Vancouver Quadra): He has been unable to meet his fiscal goals as a direct result of his own monetary policy.

Mr. Clark (Yellowhead): Who sent the thief?

Mr. Axworthy (Winnipeg South Centre): You sent it. You said it.

Mr. Clark (Yellowhead): Who sent the thief?

Mr. Turner (Vancouver Quadra): He has been unfair with Canadians in his taxation policy, and now he is unable to deal fairly with the presentation of his policy.

We accuse this Minister of deception in the House of Commons because he did not tell the people the facts last autumn. We accuse this Minister of deception because they said there were spending commitments which have been violated in this document. We accuse the Minister of mismanagement for having doubled the public debt of this country in four short years. Now we accuse him of breach of trust for failing to resign.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Chrétien, Chrétien, Chrétien.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the unanswered questions are legion. When did the Minister of Finance personally find out about the unprecedented release, the budget leak? What did the Minister of Finance do when he did find out?

An Hon. Member: He did not come here.

Mr. Turner (Vancouver Quadra): Why didn't he resign immediately? Why, at least, did he not come onto the floor of the House and urge you, as the Speaker, to reconvene the House through his Government House Leader?

When did the Prime Minister find out? Why didn't the Prime Minister immediately demand the resignation of the Minister of Finance?

Mr. Simmons: He knew it at 2:45 yesterday.

Mr. Turner (Vancouver Quadra): Why did the Minister of Finance decide to try to proceed with a Budget when the principle of Budget secrecy had been violated? Why did the Prime Minister allow him to proceed in that fashion? Why didn't the Prime Minister and the Minister of Finance realize that their trust responsibilities, dating back to the birth of our parliamentary system, forced him to resign to maintain that tradition, or did they not care?

How many other of these documents were floating around?

An Hon. Member: That is the question.

Mr. Turner (Vancouver Quadra): Who else knew, and in the meantime what stocks have been traded, what real estate has moved, what other transactions have taken place because these documents were not held confidentially by the Department of Finance? How many millions of dollars, indeed hundreds of millions of dollars, could have been made by the release of these documents?

Mr. Clark (Yellowhead): Why didn't you come to work last night, John?

Mr. Turner (Vancouver Quadra): How many insiders benefited at the expense of the Canadian taxpayer? What privileged few could have made a killing at the expense of the rest of Canadians? Why didn't the Prime Minister and the Minister of Finance realize that hundreds of millions of dollars could have been made at the expense of the ordinary taxpayer? Why didn't they realize that when an entire Budget falls into a few hands it is necessary that the Budget be cancelled, a new date set and a new Minister of Finance appointed?

• (1140)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Or did they care, or did they understand? Why does the Minister not recognize that ordinary Canadians who work hard for their money and pay taxes grudgingly but willingly will not and cannot tolerate a system that is abused, and cannot tolerate the release of an entire budgetary document which may have gone to the benefit and advantage of people we do not know about, but who will surely turn up.

Why don't the Prime Minister (Mr. Mulroney) and Minister of Finance (Mr. Wilson) understand that the 724-year-old rule that lies at the heart of parliamentary democracy and at the heart of our democratic system is there not only because of constitutional proprieties, not only because of constitutional niceties, and not only because Members of Parliament feel they have a special privilege, but because here we have a fiduciary position to protect the ordinary Canadian, and that is why this practice is here.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Therefore, Mr. Speaker, the privileges of all the representatives of the Canadian people have been breached and violated. Even more important, the rights of every single Canadian have been breached and violated. Every single Canadian has the right to feel confident in the understanding and with the assurance that the tax that they pay is revealed, supervised, challenged, controlled, and spent in a fair manner. If Budget secrecy does not apply to all Canadians then the system will not work.

If the Minister of Finance will not resign over the largest release of budgetary information in the history of parliamentary democracy, then there will be chaos in the system, lack of trust, lack of confidence, and lack of willingness of 11 million taxpayers to assess themselves voluntarily and to file that assessment with the Department of Finance.

If the Prime Minister cannot see his failure to compel and force the resignation of his Minister of Finance, or if the Minister of Finance does not understand his role as a custodian of the accounts of this country, and if the Prime Minister does not force the cancellation of the Budget, then he is saying that, fine, it's all right for some Canadians to have inside information while others do not. He is saying that it is all right any time in the future for some Canadians to reap untold millions of dollars of wrongful benefits while other Canadians pay the price.

Mr. McDermid: What nonsense.

Mr. Turner (Vancouver Quadra): An Hon. Member says "What nonsense". He does not understand what this democracy is all about.

[*Translation*]

Some Hon. Members: Hear, hear.

Mr. Turner (Vancouver Quadra): Mr. Speaker, during this debate, you will hear precedent after precedent, legal arguments, technical arguments, all sorts of things, but the basic argument involves the privileges of Canadians, whose trustees we are and for whom we are responsible. Now is the time for this Prime Minister (Mr. Mulroney), for this Minister of Finance (Mr. Wilson), to recognize their responsibilities and to comply with the requirements of our Parliamentary system. Let the Minister of Finance resign, because through his Department, he was negligent by allowing a whole budget to be revealed before the date it was to be presented to the House. He violated the privileges of every Canadian by telling them to trust our system, to trust our Parliament, to trust their Government, and above all, their Minister of Finance, who holds the most sensitive and important position after the Prime Minister.

That is why, Mr. Speaker, if you grant me a *prima facie* case of privilege, not only for the Hon. Members on both sides of the House, not only for the House itself, but for all Canadians, I would be prepared, at your discretion, to present a motion whereby the House can make the final decision.

Some Hon. Members: Hear, hear.

[*English*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this morning when he came into the House the Minister of Finance (Mr. Wilson) raised the question of his alleged claim to an offence of his privileges as a Member. I say to the Minister of Finance that it is all other Members of the House of Commons who have a question of privilege against the incompetence and total irresponsibility of a Minister of Finance who should have resigned this morning.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We have had the clearest possible demonstration coming from the Minister himself, supported by a Prime Minister (Mr. Mulroney), who I hope will join in the debate, who is sitting there and giving support to a Minister who comes into the House and does not resign when he ought to, rises on a question of privilege and does not even have the—and I choose my words with care—responsibility to move a motion to have this subject referred to a committee that would examine what went on. That is what the Minister ought to have done, and he did not even move the motion.

The Government that we have seen for a number of years has had all its lines of communication and its standards set by the republic to the south of us. It is in the midst of discovering, and I say this to the Minister and to the Prime Minister, what the supremacy of Parliament and parliamentary democracy is all about in this debate.

The Minister in getting to his feet and in his all too brief statement said that there has been no negligence, there has been tight security and we wonder how it got out. Both of those statements we do not know and they ought to be examined, and then there is something we do know something about. The Minister of Finance said that he came to the House at the earliest possible moment. I say to the Minister that that is not true. The Government knew about this at 5.30 yesterday and it ought to have come to the House at that time.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Instead of the Minister of Justice (Mr. Lewis) phoning the Leader of the Opposition (Mr. Turner) and myself and getting us to collaborate in this totally inappropriate course of action, the correct course of action would have been for the Minister of Finance, when he discovered this important breach for which he is ultimately responsible, to have come into the House yesterday, said what happened, and submitted his resignation as an honourable man.

Some Hon. Members: Hear, hear!

• (1150)

Mr. Broadbent: This tradition of parliamentary supremacy and accountability of Ministers is not a mere secondary aspect about our form of democracy. In the United States of America, Ministers—Secretaries in the Cabinet—do not have to come before Congress. For a President who has done some wrong, the only procedure left open to the American population is the very exceptional impeachment process.

We have in this system accountability of Ministers on a day-to-day basis, on the assumption that they understand they are accountable for what they do to the House of Commons, and if we have ever seen the clearest illustration that they do not understand parliamentary democracy, we have seen it this morning.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, there are many instances in Canada, the U.K., Australia, New Zealand and throughout parliamentary systems in the world where the question of the breach of confidentiality of Budget matters has been raised. Ministers of the Crown this morning know that all of us on this side could quote arguments of past instances from them when they were on this side of the House. And later in the day they may find that their words will be quoted back to them.

But I will say, on a very recent incident involving the then Minister of Finance, Marc Lalonde, in 1983 when the present Minister of Justice (Mr. Lewis) and his House Leader at the time were rightly critical of the Minister, that the then Minister at least acknowledged the supremacy of what was involved by having a change made when some information from an alleged document was made public.

Mr. Clark (Yellowhead): Made public by him.

Mr. Broadbent: He had recognized the principle involved by making sure that that did not come back before Parliament as a Budget. This Government had the effrontery not only to claim it can go right ahead with everything it has produced, even though the whole country knows, but the Government used television instead of coming before the Parliament of Canada to present that Budget.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It would be perfectly understandable if people witnessing this debate in Atlantic Canada—

[*Translation*]

in the province of Québec, in the Prairies or in British Columbia, all Canadians want to know exactly what is going on, want to understand exactly the reason the Opposition Parties are completely against the Government on this point. I would like to explain.

[*English*]

It is not a question, Mr. Speaker, about the rules that are pertinent to the conduct of some kind of game or sport activity. What we are involved in now is the accountability of the Government for literally millions of dollars of public expenditure, taxpayers' money—indeed, billions of dollars. So the secrecy that we talk about as being essential in the parliamentary tradition has behind it an entirely appropriate concern about the public good.

I want to mention just a couple of items that have become public as being seen to be part of what the Government is describing as its Budget. One, the complete privatization of Air Canada. Two, a major change in defence expenditure. When I heard of this yesterday and heard there was no resignation, I asked myself, what time does the stock market close; what time did this information become available? We now know, Mr. Speaker, that that information was available perhaps as early as 2.45 p.m. yesterday. If there was one journalist who had that information and presented it on the public network at supper time, the relevant question that a Minister of Finance ought to be concerned about is who else had it and who may or may not have phoned his or her stockbroker to make a deal on the Toronto or the Montreal Stock Exchanges. If people did that, then I say that the Minister of Finance is responsible—if they did it, I say to him, and he has no way of knowing if they did or not—for privileged access by a small group of Canadians who might have made millions of dollars at the expense of the public, and for that and that alone, the Minister of Finance should be resigning.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I cannot understand why a Minister of Finance who claims to be concerned about his privileges would speak so briefly about such a fundamental matter without having a motion to refer this to a committee of the House to examine it. If he believes there was no breach of security, why is the Minister not prepared to do the traditional thing and have a committee examine the matter? If he says there was no negligence in any way on the part of his staff or his Department, why will the Minister not have a committee look at the matter? In particular, Mr. Speaker, I say that when the Minister came here and said to the House of Commons and to the people of Canada that he spoke and acted as soon as possible, we know that that is false. For those reasons, among others, there ought to be a committee examining this very serious breach of trust.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The privilege involved does not involve simply the Minister of Finance. I was informed that the Prime Minister (Mr. Mulroney) had attempted to contact me after supper time yesterday. His office was calling, and no doubt this call was followed up by the Minister of Justice (Mr. Lewis) who contacted both the Leader of the Opposition (Mr. Turner) and myself about this matter. Once I heard there was a Budget leak and had it confirmed that it was on television, I asked myself, did the Minister of Finance—he has not told us this yet—go to the Prime Minister and offer his resignation, which he ought to have done? Did he offer his resigna-

tion? If he did not, did the Prime Minister, who has responsibility for all the Ministers of the Crown, do the right thing and get the Minister of Finance on the phone and say, "Look, Michael, this may or may not have been your direct responsibility but you are accountable to Parliament, to the people of Canada, and I, as the Prime Minister, ask for your resignation"?

Some Hon. Members: Hear, hear!

Mr. Broadbent: What is at stake here is not simply the credibility of the Minister of Finance, which is now completely shot, but also the credibility of this Government and the Prime Minister who had presented before them a situation on which the Prime Minister ought to have acted and did not. The people of Canada will have noted that as well.

We say that instead of proceeding later today, as the Government would hope, with a Budget debate at five o'clock with this Minister of Finance, we say this Minister of Finance should no longer be Minister of Finance. We say that the Prime Minister should name forthwith a new Minister of Finance and he should withdraw this alleged Budget, set a new Budget date down the road and do the proper thing for the people of Canada.

In that connection, Mr. Speaker, if you judge in responding to these points of privilege raised by the Leader of the Opposition and myself in response to the Minister of Finance, I want to suggest the wording of a motion to which I would like to see the Government respond affirmatively before you make a ruling. I use the words used by the then Opposition House Leader in 1983 in a similar—

Mr. Clark (Yellowhead): Not similar.

Mr. Broadbent: —circumstance involving a Minister of Finance, and I say to the Minister of Justice—

Mr. Beatty: It was dissimilar.

Mr. Broadbent: —who spoke at that time in defence of the motion moved by his Party then in opposition that if the logic and reason of these words made sense then, if they reflected honestly the correct parliamentary traditions, not only of Canada but around the world, then they make sense in 1989.

Some Hon Members: Hear, hear!

• (1200)

Mr. Broadbent: Mr. Speaker, if you rule that there is a prima facie case, I would be prepared at the right time to move the following:

> That a special committee be appointed to inquire into all the circumstances relating to or associated with the disclosure of Budget information on April 26, and that the committee consist of 11 Members of the House, and that the committee have power to send for persons, papers and records.

I hope that a Government that has demonstrated no commitment to integrity in the past 24 hours on this important issue will do the right thing, that this Government will rise and support this motion.

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise to participate in this debate on the point made by the Right Hon. Leader of the Opposition (Mr. Turner). I appreciate the remarks that the Leader of the New Democratic Party (Mr. Broadbent) just made *vis–a–vis* that tremendous speech that I made in 1983. I do not remember winning the argument. There are some very good reasons why I did not win the argument.

Some Hon. Members: Oh, oh!

Mr. Lewis: I would like to point out if I may to our hon. friend that in 1983 there was no RCMP investigation, such as is under way at the present time. That is the difference.

It is important that we lay the facts on the record and we do it in a manner in which the House will understand and the Canadian public will understand because it is important that the people know how this Government acted and how responsibly we acted under the circumstances.

An Hon. Member: It was a cover–up.

Mr. Lewis: There is no question that there was a television program in which a reporter in the first instance referred to an uncorroborated suggestion that there had been a leak of Budget material. You will note that that particular reporter—I know that it is a little beyond your jurisdiction but let me say this, if the tapes were reviewed, I think you would find that that particular reporter, in a responsible manner, did not run the story until he had it corroborated. That is right. He did not run the story until he had it corroborated. We were aware of that story on the wire. We were aware of that story on

the wire. But when that reporter held up a copy of the pamphlet entitled *Budget in Brief,* it became evident to the Government that—

Some Hon. Members: Oh, oh!

Mr. Lewis: —this was much more than informed speculation, that there was in fact a theft of Budget material. I think you would find the record would show that when the Right Hon. Leader of the Opposition spoke, and when the Leader of the New Democratic Party spoke, we asked our Members to give them the courtesy that they were owed in this House—

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Minister.

Mr. Lewis Thank you, Mr. Speaker. The question becomes, and this is the question that the people are asking, what did the Government do?

An Hon. Member: When did the Government do it? When did the Government know it?

An Hon. Member: That is the question.

An Hon. Member: Shame on you.

Mr. Lewis: Immediately that seven o'clock program confirmed that there had been a theft of Budget material, the Prime Minister (Mr. Mulroney) convened a group of senior Ministers and officials to discuss what action we should take to properly correct a very serious situation. We met, we considered and we acted. Here is the important point: We have talked about traditions in this place and there are some traditions. If you want to bring one tradition into play, you bring them all into play.

An Hon. Member: Hear, hear!

Mr. Lewis: There are some traditions, and I will get to the proof a little later on, that prevail. We acted immediately. I did it myself. The Right Hon. Leader of the Opposition will know this. At 8.05 p.m., I phoned the Right Hon. Leader of the Opposition and I advised him of the following. This is what I said because I read from notes.

An Hon. Member: Did you tape it?

Mr. Lewis: No, absolutely not. You know me better than that. You know me better than that. I do not for a minute suggest that you taped me, sir.

Mr. Turner (Vancouver Quadra): No, sir, it was not worth it.

Mr. Lewis: I said this: "Somebody in a position of public trust has leaked Budget information to the public and we must act quickly and responsibly. I ask for your co-operation to call the House into session tonight in order that the public be informed as soon as possible and the Minister may deliver his Budget in the House of Commons."

An Hon. Member: Did you go to the Speaker?

Mr. Lewis: I will get to that in a minute. The Right Hon. Leader of the Opposition said: "I understand this. I'll get back to you or call me back.", telephones being what they are these days. The same call was placed at 8.10 p.m. to the Leader of the New Democratic Party and the same message was given to him. He said: "I'll get back to you or you get back to me". We took these right hon. gentlemen at their word.

An Hon. Member: Why did you not speak to the Speaker?

Mr. Lewis There has been a suggestion, and let me deal with that now, that we should have used Standing Order 28(3). It is our position that we have every right to use the rules but we have no right to abuse the rules.

Some Hon. Members Oh, oh!

Mr. Lewis: At six o'clock last evening the Speaker rose and said, and I am paraphrasing, this House stands adjourned until 11 a.m. tomorrow morning. That is notice to every Member in this House, be that the Government side or Opposition or even my friend from the independent Party. That is the notice that she and every Member is entitled to, that there is no more Government business until 11 o'clock tomorrow morning. It is our position that had we tried to approach the Speaker under Standing Order 28(3), we would have found ourselves in the wrong court. That rule is for use by the Government as follows:

> 28. (3) Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice—and thereupon the House shall meet to transact its business—

Et cetera. If one reads the annotated notes—

• (1210)

Mr. Boudria: That is out of order.

Mr. Lewis: It may be out of order to read the notes—

Mr. Lapierre: Don't abuse the rules.

Mr. Lewis: If one reads it one will see that it refers specifically to the House being recessed during the calendar, not overnight. I submit it would have been an abuse to go before—

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Perhaps the Hon. Member for Windsor West (Mr. Gray) could indicate before he gets into argument what his point of order is.

Mr. Gray (Windsor West): It is my understanding that when what is called the Annotated Standing Orders of the House of Commons were tabled in this House it was stated by you, Sir, that the annotations were not to be referred to in argument. If that is correct then I would like to draw that to the attention of the Minister of Justice (Mr. Lewis).

Mr. Speaker: I think the Minister of Justice had put aside the annotated notes and was arguing freely.

Mr. Lewis: Surely the point is that we sought the co-operation of the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the New Democratic Party—officers of this House. We sought that co-operation. It was not forthcoming because when we phoned back they said: "No, I am sorry, we cannot co-operate".

Some Hon. Members: Oh, oh!

Mr. Lewis: "We cannot co-operate. We can go to a press conference but we cannot come back to this House of Commons. We can go to the other side of Wellington Street but we cannot come to the House of Commons".

Some Hon. Members: Shame!

Mr. Lewis: We sought that co-operation in the best traditions of this House—

Mr. Riis: That is a cover-up.

Mr. Lewis: —and it was denied to us. Under those circumstances the Minister of Finance (Mr. Wilson) went before the media and disclosed all the contents of the Budget.

Some Hon. Members: Hear, hear!

Mr. Lewis: In keeping with the traditions of this House the full copies were tabled with the Clerk. We went public as soon as we could, in a responsible manner.

Some Hon. Members: Oh, oh!

Mr. Lewis: That is the issue. There have been a great many comments about precedents .There have been references to them but nobody has cared to get much into the meat of the precedents.

In 1936 in the United Kingdom there was some unusual activity in the insurance market. There was a tribunal held. It was concluded that a Cabinet Minister, not the Chancellor of the Exchequer, had leaked budget information for personal gains of a private citizen. The Minister resigned.

Mr. Lapierre: Good precedent.

Mr. Lewis: In 1947 in the United Kingdom, and this is the famous Dalton case, on his way in to deliver a Budget the Chancellor of the Exchequer in an offhand remark said something to a reporter such as: "You'd better buy your cigarettes now because the price is going up tonight".

Ms. Copps: What happened?

Mr. Lewis: This is what happened. The Minister resigned.

Some Hon. Members: Hear, hear!

Mr. Axworthy (Winnipeg South Centre): One hell of a precedent.

Mr. Lewis: The distinction of course is that there is no direct relation in this case between the Minister of Finance and the stolen Budget document—none whatsoever. There is no suggestion of that at all.

Some Hon. Members: Hear, hear!

Mr. Lewis: In that case the Minister gave the information away. In this case our Minister has no connection with that document.

Some Hon. Members: Hear, hear!

Mr. Lewis: Now I would like to get to the Canadian precedents if I may, Mr. Speaker.

In March, 1982, details of the Saskatchewan Budget were aired on CBC television three days before the Budget. The Minister tabled his Budget as planned and although he was reported to have tendered his resignation, it was not accepted. He did not resign. That distinguishes that precedent.

In April, 1983—and here is one with a close connection—details of the Lalonde Budget were put forward in a photo-op by the Minister himself holding it up. What happened? He came to the Commons the next day with a changed Budget. The Minister did not resign.

Mr. Broadbent: It was changed!

Mr. Lewis: In May, 1983, a reporter found some Ontario Government Budget papers in a garbage can outside a printing company before Budget day. The information became public. The Provincial Treasurer, Frank Miller, did not resign.

Mr. Riis: Where is he now?

Mr. Lewis: In May, 1987, the Québec Finance Minister faced a similar situation in which some details of his impending Budget were leaked to the press. The Minister immediately tabled the Budget a week ahead of schedule. He did not resign.

Mr. Lapierre: He offered his resignation first.

Mr. Lewis: Here is the Abbot example for the Liberal Party side of things. Mr. Abbot said this: "I announced some two or three weeks in advance of Parliament being in session, although it had been announced that Parliament was called, that it was the Government's intention and my intention when Parliament was convened to ask Parliament to enact these particular taxes effective from November 17. The conclusion that I arrived at and the Government arrived at after a great deal of consideration was that the circumstances were so exceptional, the emergency was so great that action should be taken".

That is another case wherein a Minister announced details on the radio, came to the House and that was his defence. The Minister did not resign.

I wish to talk about co-operation for a minute. The Leader of the New Democratic Party talked about traditions. I would tell him that the respecting of traditions is perhaps a little more highly held by one Bob Rae who has broken ranks with the Leader of the New Democratic Party and said that it was not necessary for Mr. Wilson to resign.

Some Hon. Members: Hear, hear!

Mr. Broadbent: What does that prove?

Mr. Lewis: Last, I want to deal with the action of Mr. Stanfield in 1968. When the Government of the day, the Liberal Government, lost a vote at third reading on a finance Bill there was great confusion in the realm. What happened? Mr. Pearson went to Mr. Stanfield and said that he wanted an adjournment of the House in order to regroup and decide what action the Government should take.

Mr. Valcourt: In the best interests of Canada.

Mr. Lewis: Yes, in the best interests of Canada. In the best interests of Canada there was an adjournment. That would have been the parallel to saying: "Look, we come into the House of Commons and sit tonight. You can get your people here and we know that". That would have been a tradition.

Some Hon. Members: Hear, hear!

Mr. Lewis: The point is that Mr. Stanfield saw a greater sense of value in this place than pure political marks.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Then let us have an election on this Budget.

Mr. Lewis: I want to wind up in this manner if I may. I am not here defending the suggestion that the Minister of Finance resign because there is no reason that he should resign. There is no reason for that.

Some Hon. Members: Hear, hear!

Mr. Lewis: I am defending the traditions of this place and what the responsibility of a Government is when it finds it has a problem on its hands. We could have sat it out. We could have brazened it out. We could have said, no, no, we don't believe what we see on television. We could have waited until five o'clock this afternoon. No, the Prime Minister (Mr. Mulroney) convened the meeting I spoke of.

• (1220)

Mr. Lapierre: To ask the Opposition to co-operate.

Mr. Lewis: Once it was proven at seven o'clock, it became no question. How did we go public as soon as possible—

Mr. Lapierre: What did you do before 5.30 and six o'clock?

Mr. Lewis: —in the interest of all the people of Canada? We tried, as we had to, to get the co-operation of the opposition Parties. I make no apology for that. I said to them: "Put partisanship aside. Come in to the House of Commons." It did not work. That is fine. We will be judged by how we conducted ourselves. They will be judged by how they conducted themselves.

Some Hon. Members: Hear, hear!

Mr. Lewis: This Government is ready to be judged on how we acted.

Mr. Kaplan: Let's have an election.

Mr. Epp: You don't have a leader.

Mr. Lewis: Mr. Speaker, I submit there is no point of privilege. I thank you for the opportunity to make these remarks.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance (Mr. Wilson) has the kind of look on his face which indicates to me he must be saying to himself after hearing the speech of the Minister of Justice that he thinks he should get himself another lawyer.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): It has been a long time since this House and the Canadian people have heard such an inept and unconvincing attempt to defend the indefensible.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Justice (Mr. Lewis) said we have every right to use the rules, but we have no right to abuse the rules. This point did not seem to concern the Minister of Justice when last June and last December he and the government Members butchered the rules in an attempt to get their way with this House.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Justice obviously failed to carry out his first responsibility to his Government and to this House when he failed to even approach the Speaker and ask the Speaker if he would be willing to apply Standing Order 28(3).

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Justice confirmed that when the House adjourned yesterday, the Speaker said that the House stands adjourned, which clearly is the foundation for the application of Standing Order 28(3) which reads:

> Whenever the House stands adjourned, if the Speaker is satisfied after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet, and thereupon the House shall meet to transact its business as if it had been duly adjourned to that time.

The Hon. Minister of Justice speaks of parliamentary tradition. Surely the basis for that tradition is to at least approach the Speaker when the rules of this House give some reasonable basis to do so, to ask the Speaker to use the authority this House has given him in the Standing Orders. If the Minister of Justice did not do so, then he has no business trying to blame the opposition Parties for his incompetence and that of his colleagues.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): It is clear, Mr. Speaker, that the co-operation of the opposition Parties was not required to have the House sit last night if that is what the Government thought it was in the public interest to do. All that had to be done was to approach you, Sir, and ask that the Standing Order be applied. But, it is clear the Government was more interested in scrambling around trying to hide its own problems, trying to find some way out, than relying on the parliamentary tradition that the Minister of Justice is crying about right now.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Finance (Mr. Wilson) in his own equally unconvincing statement earlier today, said that he was in the clear because, as far as he could determine, there was no negligence on the part of his officials, and that there was some type of deliberate effort to have the information in the Budget in the hands of the public before it was done properly pursuant to the rules and traditions of this House.

The Minister of Finance has given no facts, no evidence, no basis on which this House or the Canadian people can accept that this statement is correct, and that there has been a sufficient examination of what went on to reach that conclusion. In any event the Minister must take responsibility for the actions or inactions of his officials. This was clearly established in a recent court case in the Federal Court of Appeal where it was determined that the former Member for Kingston and the present Secretary of State for External Affairs (Mr. Clark) had to take responsibility for the actions of their officials even though they were not personally informed.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): If the Minister of Finance was so concerned about doing things in the right way, then he should have come in to the House, accepted his responsibility, resigned and said that he was withdrawing this Budget.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): The Minister of Justice has not demonstrated to this House, nor to the Canadian people, that it was not possible for a limited number of individuals to benefit improperly through the early disclosure of the information in his Budget. We have been doing some checking, and it is certainly clear from the information that we have that people in various time zones around the country or around the world could well have learned of this information in the Budget when it was broadcast, and that orders for transactions could have been given in various Exchanges in a way that they could benefit from enormously, in ways that were quite absent from the opportunities of Canadians generally.

The Minister of Finance comes in here and sanctimoniously tries to wash his hands of the whole matter.

Some Hon. Members: Shame!

Mr. Gray (Windsor West): But that is not enough in terms of his responsibility as Minister of Finance and in terms of his responsibility as a Minister of the Crown for those who answer to him.

The final point I want to make is with respect to precedent. It is interesting to hear the Minister of Justice trying to recant the words he used in this House in 1983 in connection with the Lalonde case, a very different case. It involved only one small element of a budget, and did not involve anything from which people could have benefited personally. The Minister of Justice, as I have said, is attempting to recant his words. I do not know if the Minister of Finance behind the curtains has wrestled him to the ground and made him cry uncle and go into the House to do this, but these words are still on the record of *Hansard*. These words are an endorsement of other words spoken by the present Minister of Industry, Science and Technology, the then Member for Calgary Centre (Mr. Andre). The Member for Calgary Centre said in *Hansard* at page 24635:

> It has been established very clearly that there has been important information leaked to the public, information that dramatically affects public financial markets from a document identified by the Minister of Finance as the Budget.

The Hon. Member for Calgary Centre (Mr. Andre) went on to say:

> This House has the absolute right to establish procedures, rules and requirements. One of the absolute rights of the House, established over hundreds of years, is the right to hear the Government's budgetary proposal before anybody else, or simultaneously with anybody else.

The Member went on to say:

> Nothing could be more fundamental to the privileges of every Member elected by Canadian citizens than that we be told of the budget by the Minister of Finance in this House and not learn about it from television reports or speeches that he makes to the Chamber of Commerce or by some other method. Nothing is more fundamental than that, Madam Speaker. Any self-respecting Minister of Finance would resign.

Those are the words of the Hon. Member for Calgary Centre in 1983. I trust he will not get up and try to recant what he put on the record at that time, because he made a very valid and sound statement of principle that should be followed by the Government, the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) today.

• (1230)

After the Member for Calgary Centre took his seat, the Member for Simcoe North (Mr. Lewis), now the Minister of Justice, was recognized and said, as reported at page 24636 of *Hansard*:

> Madam Speaker, I wish to address a few brief remarks to this question of privilege and perhaps to wrap up the argument for this side.

He went on to say:

> —I support the argument of my colleague, the Hon. Member for Calgary Centre (Mr. Andre), that the privileges of all Members of the House have been breached in that we read about and saw on television matters which were obviously in the budget which will be presented tonight.
>
> It is a breach of our privileges as Members that this material was disseminated through the media before it was presented to the House. The effect on the market, the effect on what action private citizens will take, has yet to be seen. The question of whether or not the Prime Minister will stand on tradition has yet to be known.

Then the Minister of Justice went on to argue that one of the privileges of Members of this House was the right to confidentiality. Then he in effect concluded by saying:

> We would argue that in either case, whether you take the argument of the Hon. Member for Calgary Centre or my argument, the privileges of a Member or Members of the House have been breached.

The Member for Calgary Centre and the present Minister of Justice, as I understood their remarks, did not put qualifications on them to limit them only to the case of the then Minister of Finance, Mr. Lalonde. They were stating what they considered to be principles of general and permanent application. It is hardly credible for the Minister of Justice now to get on his feet and say: "I recant, I did not mean to say what I did, I wish I could expunge it from the record". It is there. It is on the record. It counts now no less than the Minister of Justice intended it to count at that time.

If these words are on the record and if the Minister of Justice and the Minister of Finance (Mr. Wilson) are serious about their responsibilities, and in particular if the Prime Minister is serious about his responsibilities, he will insist that the Minister of Finance resign and that there be a new Budget. The Canadian people, through their elected representatives in this House, deserve no less. They deserved far better from the Minister of Finance last night. They deserve far better from the Minister of Finance today, the Minister of Justice and the Prime Minister, then the inept, unconvincing crocodile tears about how the Minister of Finance mismanaged his responsibiities.

I think it is clear that the Minister of Finance must resign. This Budget must be withdrawn. Otherwise there is no way that the democratic process and the role of this House can be taken seriously any longer.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I want to rise to make a couple of points in response to the Right Hon. Leader of the Opposition (Mr. Turner) and the Opposition House Leader for whom I have a great deal of respect in a parliamentary sense. I want to say that in all sincerity, but I believe they are distorting the interpretation of Standing Order 28(3) and I think it has to be clarified once and for all.

They are suggesting in the House today, Mr. Speaker, that you could have called the House back sometime last night without the consent of the opposition Parties. I think that would have been physically impossible—

Mr. Tobin: What about last summer?

Mr. Mazankowski: Can you just wait a minute? I think it would have been physically impossible because, in order for the Speaker to do so after being satisfied that there was an emergency situation and indeed it was in the public interest to resume the sitting of the House, it would have then been necessary for the Speaker to give notice to every individual Member of Parliament.

An Hon. Member: So?

Mr. Mazankowski: The Speaker has to ensure that adequate notice has been served. What is adequate notice, Mr. Speaker? Perhaps in the course of rendering a decision you will be able to elaborate on that, but I think you will find that generally, when we talk about tradition, convention and precedents, it is at least 48 hours.

Mr. Turner (Vancouver Quadra): Oh, come on!

Mr. Mazankowski: At least 48 hours. I know there have been cases when there has been a special Order Paper initiated in 24 hours.

Mr. Tobin: You can't have it both ways.

Mr. Mazankowski: If you had decided that indeed there was a case of an emergency, it would have been impossible to convene the House on that basis, under Standing Order 28(3), for at least 24 hours or possibly 48 hours.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Everyone should know that the only way that this House could have come back sometime last night, whether it be at ten o'clock, twelve o'clock, one o'clock or two o'clock in the morning, would have been with the unanimous consent of all the Members of the House.

Mr. Gauthier: Nonsense. That is nonsense. Once again you are distorting the rules.

Mr. Mazankowski: Second, after convening the House, what would have been the order of business? There was no order for that day. There would be no Order Paper. Again, for the Minister of Finance (Mr. Wilson) to introduce, produce and present his Budget to the House would have required unanimous consent. On a double case, we would have needed unanimous consent on both counts.

Mr. Wilson (Etobicoke Centre): You know it, John.

Mr. Mazankowski: That is the point that the Hon. Members across are overlooking. You have two cases.

What the House Leader outlined are the steps that the Government took in the best traditions of parliamentary democracy to call the House back under consent—

Ms. Copps: Resign.

Mr. Peterson: You're desperate.

Mr. Mazankowski: I am not desperate. I am as good a parliamentarian as you are, and I have done as much as you have to preserve parliamentary tradition.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Quite frankly, Mr. Speaker, I get a little annoyed when I hear people talking about the subversion of Parliament when they indeed subvert the rules—

Ms. Copps: Oh, come on!

Mr. Mazankowski: —and disallow Parliament to function in a normal fashion. That is the inconsistency of the Opposition.

I have never heard such doubletalk. On the one hand they charge the Government with subverting the rules, with contempt of Parliament—

Mr. Broadbent: What about the ringing of the bells?

Mr. Mazankowski: —with affronting the institution. What has really happened is that the Opposition has denied Parliament the opportunity to deal with this.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What a laugh.

Mr. Mazankowski: The Right Hon. Leader of the Opposition has indeed blocked the parliamentary process by his actions last night—

Mr. Turner (Vancouver Quadra): You can't be serious.

Mr. Mazankowski: —and the NDP. Then he comes into the House and talks about the sanctity of Parliament. In the same breath he turns his back on Parliament.

• (1240)

What nonsense, Mr. Speaker. He denied Parliament the opportunity to function as it should. Though he takes us back to 1265 in history, he does not have to go that far back.

As the House Leader outlined, we have the rather interesting situation where a former Minister of Finance, the Hon. Douglas Abbott, brought forth a Budget in a radio broadcast on November 17, 1947 when the House was not in session. Then he came back into the House on March 9, 1948 when the House was convened, and adopted the Budget.

The Hon. Leader of the Opposition says that Parliament has the right to control expenditures, that Parliament has to approve the Budget.

An Hon. Member: Why have us here then?

Mr. Mazankowski: No one is denying Parliament that right under the situation that we have before us today.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Just so it is abundantly clear to all Members of this House and all members of the Canadian public, we are not denying Parliament the opportunity to deal with this Budget.

Mr. Gauthier: You already did. You already have.

Mr. Mazankowski: That is absolutely wrong.

Mr. Gauthier: You did last night. You have failed. Listen to your mandate.

Mr. Tobin: You have failed. You should resign.

Mr. Mazankowski: That is nonsense and you know it. Parliament will still have the opportunity to pass judgement on this Budget, every line, every detail, every corresponding piece of legislation. The Hon. Leader of the Opposition knows that, and so does the Leader of the NDP.

Ms. Copps: How many leakers do you have over there?

Mr. Mazankowski: The Hon. Leader of the Opposition talks about the primacy of Parliament, and then he and his colleagues and friends in the NDP do everything in their power to hijack it.

Mr. Riis: You stormed the chair. What about you ringing the bells?

Mr. Mazankowski: What nonsense. Squeal a little more. Squeal a little more. That is all you have been able to do on this issue.

Mr. Riis: You do not know what you are talking about.

Ms. Copps: You are the hijacker.

Mr. Marchi: Selective memory.

Mr. Riis: Storm the chair.

Mr. Mazankowski: The Government has taken every available course of action.

Mr. Riis: Except the right one.

Mr. Broadbent: Try the right one now.

Mr. Kaplan: We need a new Budget. Back to the drawing board. That is what you should do.

Mr. Mazankowski: The Hon. Members want the resignation of the Minister of Finance.

Mr. Riis: You will never do that.

Mr. Mazankowski: Mr. Speaker, may I say to you and the Leaders of the two opposition Parties and the Members of the House, you are not going to get his resignation.

Mr. Nault: How much money did you make?

Mr. Mazankowski: I am deeply disappointed at the cheap political tactics of the Right Hon. Leader of the Opposition who should know better.

Ms. Copps: Out, out, out.

Mr. Turner (Vancouver Quadra): Why don't you get the Prime Minister up on his feet?

Mr. Beatty: Back to the cameras, John.

Ms. Copps: If the heat gets too high he will cut him loose.

Mr. Speaker: I would remind the Hon. Members that despite the seriousness with which all Hon. Members view this matter, it is still a question of privilege, and I would ask the Hon. Members to assist the Chair in that regard.

Mr. Turner (Vancouver Quadra): He is provoking his own reaction.

Mr. Mazankowski: The Government took every step available to fulfil the parliamentary traditions in every respect.

An Hon. Member: Remember Stevens?

Ms. Copps: Stevens. He's coming back too.

Mr. Mazankowski: It is customary that Budgets be presented to the House, but there have been deviations, as I have outlined in the case of Mr. Douglas Abbott, and in the extraordinary circumstances that prevailed last evening it required co-operation and goodwill on the part of all Members of this House in order to deal with this issue—

Ms. Copps: If the heat gets too high he will cut him loose.

Mr. Mazankowski: —and that was not forthcoming.

We hear a lot about goodwill and we hear a lot about co-operation, and you and I know that this House cannot function without a certain amount of goodwill and co-operation, and I have heard it from you and I have heard it from Members across, and in cases where there are extraordinary circumstances, that is when this institution really lives to the fullest. I am sorry to say that it did not do that last night primarily because of the lack of co-operation of the two Leaders of the Opposition.

Ms. Copps: It was already on TV. It's a big leak.

Mr. Mazankowski: What we have here is a classical case of political opportunism.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Exactly.

Mr. Tobin: The last time you were this articulate was on behalf of Sinclair Stevens. We have heard it before.

Mr. Mazankowski: I am sure most Canadians will interpret it that way. It is a case of political chicanery, and I say to the Leader of the Opposition that he is not serving Canada and he is not serving the public interest of Canada by his actions. I doubt very much that he is even serving his own political interests, and I am not sure what his political interests are these days, but he is certainly not serving the interests of Canada.

Mr. Gauthier: Cheap shot.

Some Hon. Members: Cheap, cheap, cheap.

Mr. Gauthier: Look at the smile on his face.

Ms. Copps: Don't you have the guts to stand up, Brian? Why don't you stand up and defend your Minister?

Mr. Clark (Yellowhead): Are you feeling all right, Sheila?

Ms. Copps: We know you will cut him loose.

Mr. Clark (Yellowhead): Feeling all right, Sheila?

Mr. Gauthier: You can't.

Mr. Mazankowski: In extraordinary circumstances this institution comes together. We have talked about the case in 1968 when Mr. Stanfield rose above partisan interests and came to the call of the public interest of Canada, and I say to the Hon. Leader of the Opposition that that is what he should be doing now.

Mr. Turner (Vancouver Quadra): You were against him at that time. You thought it was the wrong move too. I remember what you thought.

Mr. Mulroney: He says it was the wrong move.

Mr. Mazankowski: I know that the Hon. Leader of the Opposition has had more parliamentary experience than I have, he was here when I came here in 1968, and I always respected his commitment to this institution.

An Hon. Member: But you stayed.

Mr. Mazankowski: He has always demonstrated his commitment to this institution and he was always an excellent parliamentarian, and I think he still is, but I ask him on this occasion to rise above political partisanship.

Mr. Turner (Vancouver Quadra): You get me right here.

Mr. Gauthier: You insult people and drag in the arguments.

Mr. Mazankowski: Put the public interest first, put Canada first.

Mr. Turner (Vancouver Quadra): The public interest is that that fellow resign. That is the public interest.

Mr. Mazankowski: The precedents are very clear.

Ms. Copps: Why doesn't the Prime Minister speak? He is going to cut him loose. Why doesn't he defend his Minister?

Mr. Mazankowski: If the Hon. Member is suggesting that his Party is going to fall down on the side of the criminal act and support the criminal act that occurred, if that is the choice that they are taking, then I am very, very much—

Some Hon. Members: Shame, shame.

Mr. Mazankowski: Because if he does that, what he is really saying is that, in the future, any act of sabotage such as we have witnessed yesterday is going to become commonplace, so that it will be impossible for any Finance Minister in the future to function, and he should consider that as well.

Mr. Turner (Vancouver Quadra): Oh, come on. Come on.

Mr. Kristiansen: The negligence is over there.

Ms. Copps: Why doesn't the Prime Minister defend him? He is going to cut him loose.

Mr. Mazankowski: I am sure that over the course of lunch the Leader of the Opposition may have cause to reflect and think about this, because I think it is a very urgent matter.

Mr. Simmons: Get off it.

Mr. Mazankowski: It is a very urgent matter, and I would hope that he would again put the interests of the country first.

Mr. Crawford: Put Canadians first.

Mr. Gauthier: Never mind your rich friends. How about the rest of Canadians?

Mr. Mazankowski: You may regret that remark someday. You are making an underhanded accusation that is totally unfair.

Some Hon. Members: Hear, hear!

• (1250)

Mr. Gauthier: You can't tell the truth, Maz, and you know it.

Mr. Speaker: The Hon. Minister has the floor.

Mr. Mazankowski: If the Hon. Member opposite is alleging that I had something to do with this budgetary theft that helps my rich friends, then I think that is a very serious charge. If the Hon. Member wants to make that charge, he knows what he can do.

Ms. Copps: Who else had the Budget?

Mr. Mazankowski: I conclude by saying to you, Mr. Speaker, and Members of the House, that Parliament is not being circumvented in this case. The Budget is before the House now and the honour is still there.

An Hon. Member: No, it's not.

Mr. Mazankowski: It will be at five o'clock. Just because the Leader of the Opposition does not want to co-operate, that does not mean to say that the will of the House will not prevail.

Ms. Copps: Another cheap shot.

Mr. Mazankowski: Parliament is not being circumvented, nor is the Government on a course which would disallow Parliament from dealing with all aspects of the Budget, so that is not the case at all.

I remind you again, Mr. Speaker, that it was the Opposition that prevented Parliament from working in this case. I make that point again, and again, and again.

Mr. Gauthier: Wrong, wrong, wrong.

Mr. Clark (Yellowhead): They wouldn't come to work.

Mr. Gauthier: You're desperate, Maz.

Mr. Mazankowski: The Minister of Finance acted responsibly under the circumstances and took every step available to ensure that the integrity of the Budget was upheld and that all Canadians were informed as quickly and as fairly as possible. He did it, and I stand 100 per cent behind him in that exercise.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Finally, the Minister of Finance rose in his place this morning at eleven o'clock and explained to his colleagues, his peers in the House of Commons, in a chronological manner, outlining in full detail what occurred—

Ms. Copps: What time did he find out about it?

Mr. Mazankowski: —and what steps he took in order to preserve the integrity of the Budget and to preserve the economic welfare of the country. The Opposition is playing with fire in this particular case.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Yes, Mr. Speaker, they are playing with fire.

Mr. Tobin: You wouldn't know the truth if it jumped up and bit you on the nose. You haven't spoken the truth today.

Mr. Mazankowski: You are playing with the lives of Canadians.

Ms. Copps: How come the Prime Minister hasn't said anything? He's going to cut him loose. He's not defending his Minister.

Mr. Speaker: The Hon. Minister.

Mr. Mazankowski: The Members opposite are playing with the welfare of Canadians. They are playing with the integrity of the Canadian economy. They have a choice. They can go on with their political gamesmanship and their political chicanery, or they can choose Canada and stand up for Canada, and now is their opportunity.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, today we are witnessing something that is unbelievable. Here is a Government that pulls the biggest parliamentary blunder in parliamentary history and then blames the Opposition for what it has done.

Mr. Riis: It is unbelievable. The Deputy Prime Minister (Mr. Mazankowski) talks about the sabotage that occurred. What we have seen today is the sabotage of the parliamentary process and parliamentary traditions as the Government has turned this place into some combination of *Sesame Street* and *Saturday Night Live*.

It is unmitigated gall on the part of government Members to stand up and make suggestions in terms of serving Parliament and parliamentary traditions, and acting in a co-operative way. This was the Government that stormed the Chair of the Speaker. This was the Government that stopped the House of Commons from working for 16 days. This was the Party that not only muzzled Parliament but now has set aside 700 years of parliamentary tradition and has introduced a Budget at a press conference. That is the type of situation we are seeing, Mr. Speaker.

Some Hon. Members: Shame.

Mr. Riis: Let me return to some of the comments made by the House Leader of the Government. He began his remarks by suggesting that he called the Leader of the Official Opposition (Mr. Turner) and the Leader of the New Democratic Party and explained to them that a leak had occurred.

An Hon. Member: A theft.

Mr. Riis: No, he said that a leak had occurred. He read from his notes and he communicated that a leak had occurred.

It is interesting that he had also stated that there was no way that we could refer this to a committee for investigation because the RCMP is already looking into it. I want to remind the Minister that he was one of the most articulate spokespersons when the RCMP was looking into the Mackasey and the Masse affair. He wanted to call for parliamentary investigation at the same time. He cannot have it both ways, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Riis: We are well aware that the Government, some time during the day yesterday, at least by 2.30 yesterday afternoon, or perhaps a day earlier, or perhaps an hour earlier—

Mr. Clark (Yellowhead): False.

Mr. Lapierre: How do you know, Joe? Are you the new policeman on that side?

Mr. Riis: —but by 2.30 in the afternoon information of the Budget had leaked out and security had been broken.

At 5.30 p.m. when Parliament was sitting, Global television from Ottawa phoned the office of the Minister of Finance (Mr. Wilson) and informed his officials of the details of the Budget. They were not some vague references to the Budget, but the details of the Budget. They articulated point after point what was in the Budget. That means that at that time the Minister of Finance knew precisely that the Budget had been leaked some time previously.

We know at least that one document went public. I recall that the Minister of Justice said that they only believed it when they saw the picture on television. However, by 5.30 at least they knew that the details had been leaked out to at least one journalist. How much

more had been leaked out and to whom is unknown. However, at that time the Minister of Finance knew that there had been a leak. He did not know how extensive that leak was, but at that time he should have done the honourable thing and come into the Chamber of the House of Commons and offered his resignation.

Some Hon. Members: Hear, hear!

Mr. Riis: That did not occur. The Deputy Prime Minister ran in, the Minister of Justice ran in. They huddled and decided that, perhaps to buy some time, the hours of the House should be extended. These discussions always take place with the House Leaders, and there were no discussions. Out of the blue, just before six o'clock, the Minister of Justice rose and asked to extend the hours. Again, this is a clear indication that they were well aware that a Budget leak had occurred at that time.

It would have been at that time that the Minister of Finance should have done the honourable thing, offered his resignation, and while the House was sitting, indicated that there would not be a Budget, that the Budget process would be put off for a number of weeks, and that a proper Budget would be brought in at a proper time by a proper Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Riis: It is incomprehensible for the Deputy Prime Minister to suggest that sometime during the evening, after the information had been leaked, after the news media had presented the details of the Budget, members of the Opposition could be expected to co-operate in some kind of a rescue operation, or some kind of a cover-up operation, to give the illusion that this was an appropriate process, by agreeing to recall the House of Commons so that the Minister of Finance could stand up at that point, after it was public information, and indicate the details of the Budget. It was irresponsible of the Minister to even ask members of the Opposition to co-operate in that manner.

Mr. Speaker: Hon. Members will know that it is one o'clock, and ordinarily we would adjourn until 2 p.m. The Chair is, of course, in the hands of the Members.

Some Hon. Members: Call it one o'clock.

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

S. O. 31

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE BUDGET

LEAK OF DOCUMENT—REPORTS IN NEWSPAPERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I sat in my seat this morning and watched the Prime Minister (Mr. Mulroney) smirk as points of order and questions of privilege were raised relating to the very serious matter of this major Budget leak. I look at *The Ottawa Citizen* of today which suggests that at least 20 people have known about the Budget contents for several days. I look at the Toronto *Globe and Mail*, in which the chairman of Air Canada, at a meeting that took place yesterday and finished at 12.30 is broadly hinting to shareholders that there will be a sell-out announced in the Budget today.

When the Government of Canada and the Minister of Finance (Mr. Wilson) do not have the integrity to resign on an issue of such fundamental importance, how many people sold off their shares, how many people made money? How many people speculated on submarines as a result of this major leak which was caused by the negligence of this Government and by a Prime Minister and a Minister who take Budget secrecy and treat it as a joke. Why did the Prime Minister not stand up in the House this morning and speak to the issue? He hung his Minister out to dry because he knows the Minister was negligent. He knows that the information was flying fast and furious around—

An Hon. Member: He should resign.

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

THE BUDGET

CONSEQUENCES FOR THE FUTURE

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the measures announced in the 1989 Budget are aimed at reinforcing the efforts made in our first term to control and substantially reduce the national debt.

S. O. 31

The Budget contains a comprehensive program for expenditure reduction, designed to deal directly with the debt problem and to make it possible to pursue major initiatives that will enable the Canadian economy to produce more jobs, offer more opportunities and raise the standard of living of Canadians.

Thanks to these budgetary measures, by 1993 the deficit will have declined to $15 billion, less than half its present level.

It was incumbent on the Canadian Government to take such measures so as not to leave a legacy of debt to future generations.

The solution is obvious: We must start paying today, to avoid suffering tomorrow, and that is what we are doing as responsible managers.

Canadians are responsible people, and I am convinced they will support the Government's decision and will congratulate the Government on having the courage and insight to ensure the future prosperity of this country for generations to come.

* * *

[*English*]

THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, during the past 24 hours we have witnessed an unprecedented failure on the part of a Minister of Finance in the exercise of his responsibilities to this Parliament and to the people of Canada. Never in the history of parliamentary democracy has such a complete disclosure of a Budget occurred. The issue here is at the heart of the parliamentary system. The issue here is the integrity of the parliamentary system itself. It is the duty of the Finance Minister to protect that integrity.

The Minister does not seem to understand that this leak may have led to an unfair advantage being gained by some investors at the expense of all Canadians.

There has been a breach of security at the Department of Finance. The Minister is responsible for that Department. In view of the fact that this Minister has demonstrated in the last few hours that he is not prepared to accept his responsibilities, it is therefore a must for the Prime Minister (Mr. Mulroney) to ask for, receive and accept the resignation of the Finance Minister (Mr. Wilson).

THE BUDGET

SUPPORT FOR MINISTER OF FINANCE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I wish to make a statement that is being echoed throughout the nation today. That is that our present Minister of Finance (Mr. Wilson) is the best Minister of Finance this country has had—

Some Hon. Members: Right on.

Mr. Thompson: —in the last 50 years.

He has made tough decisions, hard decisions, but decisions that had to be made for the good of all Canadians. The Opposition Parties, for purely partisan reasons, are now demanding the resignation of the Minister of Finance.

I would like to read a quotation from an article in this morning's newspaper, and I quote: "Should the Minister resign because others broke the law?" They answer that question by another quotation: "This is no time for the Minister of Finance (Mr. Wilson) to resign". Canadians from coast to coast are saying the same thing. They have confidence in this Minister and confidence in this Government.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

ABSTRACTS OF BUDGET PRESENTED BY MINISTER OF FINANCE

Mr. Ross Harvey (Edmonton East): It has been alleged that the privileges of this House have been breached. I do not doubt it.

The Fifth Edition of Beauchesne's notes, at Citation 79:

> The House maintains sole control over documents in its possession. The public may see papers which have been tabled in the House.

The Minister of Finance (Mr. Wilson) said this morning that he sent copies of his entire Budget package to the Clerk, for the Speaker, before his television show last night. The minute the Clerk received those papers, they became documents in the possession of the House, but had not yet been tabled. They still have not been tabled. Yet the Minister made them public.

The 19th Edition of Erskine May notes, at page 141, that:

> To abstract any record or other document from the custody of the Clerk—will constitute a contempt.

Last night, having delivered it to the custody of the Clerk, the Minister of Finance abstracted from his Budget speech in front of the nation's television.

As well, Erskine May notes at page 138:

> Disobedience to the orders of either House,—is a contempt of that House.

The House had ordered the Budget speech be presented in this House, not in a TV studio, at five o'clock this afternoon, not at 10.15 last night.

There has been a most serious breach of the privileges of this House by the Finance Minister.

This unprecedented bungling has undermined the integrity of the entire parliamentary system. Will this Government not now do the right thing: Admit its folly, fire its Minister, can this scandalous document and restore confidence to our parliamentary system.

* * *

[*Translation*]

THE BUDGET

THE LEAK—THE EXTENT OF THE MINISTER'S RESPONSIBILITY

Mr. Guy St-Julien (Abitibi): Mr. Speaker, budget secrecy appears to be so sacred they are asking for the resignation of the Minister of Finance (Mr. Wilson) because the theft, I repeat theft, of a public document, just led to parts of the 1989 Budget being revealed.

Last night, all Canadians received the same information almost simultaneously. What is the problem? Michael Wilson has not absconded with public funds. He has not committed a crime or sold State secrets. When someone steals something from a store, do we arrest the shopkeeper? No, Mr. Speaker!

Mr. Speaker, how could anyone blame the Minister of Finance in this case?

* * *

[*English*]

THE BUDGET

LEAK OF DOCUMENT—SUGGESTED ACTIONS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the people of Canada stand shocked today by the unprecedented leak of an entire Budget document, more than 24 hours prior to its proper presentation before the House of Commons. Indeed, news reports indicate that individuals unknown were openly peddling purported Budget documents to local media outlets as early as yesterday afternoon.

* * *

THE BUDGET

SUPPORT FOR MINISTER OF FINANCE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I rise to address the process involving the presentation of the federal Budget. The Opposition have cried an irresponsible cry for the resignation of our Finance Minister (Mr. Wilson). This theatrical reaction is not what ordinary Canadians expect from the Opposition.

In order to provide the kind of measures required to guarantee total security for the Budget, a Gestapo-like environment would be necessary. The Government would be compelled to incarcerate all personnel involved in the process, from the printing to the final distribution. Is the Opposition suggesting a police state, an aura of Fascism?

This is not a matter of Government incompetence. This is a criminal act and, in my opinion, an act of treason. Our Finance Minister is and shall remain Canada's Finance Minister. He will be recognized historically by all Canadians as one of Canada's bravest, most dedicated and competent parliamentarians.

* * *

THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the credibility of the Minister of Finance (Mr. Wilson) and his integrity have been seriously put in question by events related to this Budget. Canadians are asking: Where is the accountability of this Government?

Upon learning that his Budget had been leaked to the press, why did the Minister of Finance not come directly to this House and not give a press conference Budget? It is the people's representatives who should hear about the Budget and not the Press Club.

Canadians are asking: Where is the trust? This is not solely a case of breaking parliamentary tradition. It is far more serious than that. It is a breach of trust between the Canadian people and the Canadian Government. For weeks the Finance Minister has been preparing Canadians to bite the bullet with his new Budget. I call upon the Prime Minister (Mr. Mulroney) to bite the bullet. We need a new Finance Minister and a new Budget. The Finance Minister must resign.

S. O. 31

THE BUDGET

DOCUMENT LEAK—ACTIONS OF OPPOSITION AND GLOBAL TV

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, as days pass and tempers cool, Canadians will judge the decisions and actions of the Government, the Opposition and the media. A Budget affects the economic well-being of Canada as a nation and also Canadians individually, whether as lenders, borrowers, importers, exporters or travellers.

When someone stole the Budget and Global TV took possession and published that stolen document, it caused harm to Canada and to Canadians individually. When the two Leaders of the Opposition Parties refused to permit Parliament to convene and deal with the grave situation, they put their own personal and Party interests ahead of the interest of Parliament and Canada.

• (1410)

Some Hon. Members: Shameful.

Mr. Thacker: I have no doubt, Mr. Speaker, but that Canadians will harshly judge the Opposition and Global TV for acting in a selfish manner rather than in the best interest of Canada and Canadians.

* * *

THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, it is indeed a very dark day for this Parliament. As the youngest Member of Parliament in the House, I am extremely disillusioned and disappointed by the actions of this Government. The Prime Minister (Mr. Mulroney) should have demanded the Minister's resignation as required by the tradition of Parliament when Budget secrets are released. This so-called Budget is not a valid document. This event is one of the most extraordinary blunders in the history of parliamentary Government. The Minister of Finance (Mr. Wilson) should have resigned.

Disclosure for potential financial gains is a serious violation of the supreme authority of Parliament. Let us restore public trust in this Parliament and ask this Government and the Prime Minister for the Minister's resignation.

THE BUDGET

LEAK OF DOCUMENT—STATEMENT BY LEADER OF THE OPPOSITION

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, last night in a hastily summoned news conference the Leader of the Official Opposition (Mr. Turner) declared that we had a non-Budget presented at a non-event by a non-Minister.

Some Hon. Members: Hear, hear!

Mr. Holtmann: We obviously did have a Budget. Anyone who bought a package of cigarettes this morning can tell you so. We obviously did have an event and we are having an after event right now, Mr. Speaker. *The Ottawa Citizen* today put it perfectly about our Finance Minister, as follows:

> Wilson acted swiftly, adroitly and with common sense. If anything, he looks like an even more solid Finance Minister. He proved again that leadership is not measured by a lack of problems but by the ability to deal decisively with problems.

To quote the late esteemed Member of this House, the Right Hon. John Diefenbaker:

> When you are hunting big game you do not get diverted by rabbit tracks.

Canadians will not be fooled nor will our Finance Minister be diverted by rabbit tracks laid down by the Opposition. It is time for the Opposition bunnies to regroup in their burrow.

* * *

THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE

Mr. Sergio Marchi (York West): Mr. Speaker, the question is not so much how this Chamber is affected, although that is a big issue. We have to remember that there are 26 million Canadians who are also shareholders and owners of this country. It is through their citizenship that they are repulsed by the activities of this Government. This is no joking matter. It is not a light matter. It is not a laughing matter that the previous speaker wishes to make it out to be.

We need a new Budget to restore new confidence. We need a new Minister who can restore integrity.

Some Hon. Members: Hear, hear!

Mr. Marchi: If the Government is not willing to give us a new Budget, if it does not wish to give us a new Minister, then let us have the integrity and let the people decide. Let us go to the people.

An Hon. Member: That happened last year.

Mr. Marchi: This Parliament is being hijacked by individuals who believe that the process, the means and the ends are secondary to the interests of Canadians and Canada. Public opinion will be on the side of those who have the strength and leadership to show moral fortitude.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

CALL FOR RESIGNATION OF MINISTER OF FINANCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, there is only one issue at stake in this fiasco of the press conference Budget. The privileged information, possibly worth millions to whoever had access to this information, found its way into the hands of a few. Canadians are asking themselves, who had this information and how many people could have profited from it? We have a story in the press today that a public servant said he had a copy of the Budget on Tuesday. He told some of his friends and those friends may have told others.

Canadians want fairness and expect the trust they bestowed on their Government to be respected. They do not want to be asked to pay an extra $1,700 a year in new taxes while a privileged few become wealthy from insider trading.

The Minister of Finance (Mr. Wilson), Canada's Ivan Boesky, has a duty to his shareholders and the people of Canada, and that is to resign. For God's sake go, but go now.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

LEAK OF DOCUMENT—FAILURE OF MINISTER OF FINANCE TO RESIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, by failing to resign, the Minister of Finance has brought dishonour on himself and discredit to our whole parliamentary system. By failing to demand that resignation of the Minister of Finance, the Prime Minister has broken trust with Canadians.

My question is for the Prime Minister, Mr. Speaker. Did the Minister of Finance offer his resignation? If he did, why did the Prime Minister not accept it? If he did not, why did the Prime Minister not demand it? Why is that man still Minister of Finance of this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition's last question I believe is, and I use his words, why is this man still Minister of Finance? Because he is one of the most distinguished and honourable public servants ever in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Did I ask for his resignation, Mr. Speaker? No, I did not. Did he offer his resignation? No, he did not, and if he had offered it, I would have turned it down.

Some Hon. Members: Hear, hear.

INQUIRY RESPECTING WITHDRAWAL OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that same Minister of Finance is responsible for the biggest parliamentary blunder in Canadian history.

In the circumstances, if the resignation was not offered and a resignation was not asked for nor demanded by the Prime Minister, why didn't the Prime Minister order the immediate withdrawal of the Budget? Did he ask the Minister of Finance, as I now ask the Minister of Finance, whether he can prove that no one profited as a result of those prematurely released Budget documents, however many there were? If not, how can the Minister of Finance credibly go forward with his Budget presentation in this House this afternoon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend begins his question with some prefatory remarks about what he suggests is the only course of action that the Minister of Finance can follow given these circumstances. He is forgetting that very distinguished Canadians, such as Eugene Forsey and Bob Rae, Leader of the NDP in Ontario—

Some Hon. Members: Oh, oh!

Mr. Axworthy (Winnipeg South Centre): Are you sure it wasn't Shirley Carr?

Mr. Mulroney: —have concluded differently. For a very interesting reason, unlike the Leader of the Liberal Party and the opposition, Canadians are concerned with the criminal and not with the honourable Minister. Canadians are concerned with a person who stole the property. Hon. Members should be worried about the person who stole the property.

Some Hon. Members: Hear, hear!

• (1420)

Mr. Mulroney: There is not a single question that has been asked today about what the RCMP was doing in terms of investigating this, how the Opposition could be helpful to the RCMP—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —in this important criminal investigation. All the attacks came against the Minister of Finance.

According to experts such as Mr. Forsey and many others, as well as many leading editorialists across the country, the Minister of Finance has fulfilled totally his responsibility as an honourable and respected Minister of Finance. Anybody who holds the Minister to a higher standard is himself doing a disservice to Canada. Canadians know what the Leader of the Opposition is up to.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, if there had been proper security for which the Minister is responsible, this would not have happened. That is why this issue is before the House.

Some Hon. Members: Hear, hear!

[*Translation*]

EXPLANATIONS REQUESTED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister quotes some authorities, but a budget fiasco of this magnitude is unprecedented in Canada. Can the Prime Minister explain to us why he did not dismiss his Finance Minister? Can he explain to us why he did not cancel or withdraw the Budget? Can the Prime Minister be sure that someone did not profit from the premature release of these documents?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I said and I repeat, the Minister of Finance conducted himself at all times and in all circumstances with integrity and as a responsible Minister of Finance. As for my hon. friend's comments—

[*English*]

—he began by saying that the issue now is proper security. I ask the Right Hon. Leader of the Opposition, if he wants to be fair, to consider the comments of a reporter by the name of Mr. French of Global Television who was the first person who received the call from the individual who took the documents. Here is the transcript.

Mr. Harvard: How do you know that?

Mr. Mulroney: Let me quote his transcript.

Mr. Turner (Vancouver Quadra): What does this prove?

Mr. Mulroney: The reporter says with regard to this individual who betrayed the trust: "I guess the criminal likes to return to the scene of the crime". The reporter who received the information qualifies the individual as a criminal who indeed returned to the scene of the crime. The Leader of the Opposition should not be basing his calls for a ministerial resignation on a gentleman who may indeed have been involved in criminal activity.

* * *

[*Translation*]

THE BUDGET

SECURITY MEASURES—GOVERNMENT POSITION

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, we are faced with a very serious situation involving the Minister of Finance, of course, and the security surrounding such important documents must be very tight. Could the Minister of Finance tell us in this House whether the security surrounding the printing of the Budget was as tight as it was for previous Budgets?

[*English*]

Hon. Michael Wilson (Minister of Finance): The security measures taken on this Budget have been the same as with Budgets for many, many years.

[*Translation*]

WERE THE PRINTERS SWORN TO SECRECY

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I wish to ask another question. I would like to ask the Finance Minister whether the employees who worked on printing the Budget took an oath before they did their job, as in past years?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I take the liberty to answer the question for a reason that will interest the House, because given the Hon. Member's interest, as far as I know, the Hon.

Member who just asked the question is the only one in the House who was a member of the Hon. Robert Bourassa's Cabinet in May 1987. And in May 1987, when the Hon. Member was a Minister, there was a breach of security. The Minister of Finance did not resign and the Hon. Member supported Mr. Gérard D. Lévesque.

[*English*]

LEAK OF DOCUMENT—INQUIRY WHETHER INFORMATION USED FOR PRIVATE GAIN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. The whole country knows that at least two Canadians late yesterday afternoon had private knowledge of the details of the Budget that gave them the access to using that information, for example, on the Toronto Stock Exchange. Today in the late edition of *The Ottawa Citizen* there is a story which states that two days ago another public employee in this city had the same information. It is alleged that he told at least 20 of his friends and relatives.

Mr. McDermid: Name him!

Mr. Broadbent: He says that he did not use it for stock market purposes because he did not understand the stock market or how he could possibly benefit.

Can the Minister of Finance offer us guarantees that there are no Canadians who used this information in the past 48 hours for private gain?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member has any information to the effect that someone has used any information for gain, let him inform the RCMP so that a proper investigation can be done. This is what this Government has done with regard to the breach of security, the criminal act that is alleged to have been undertaken with the result that the document was released to Mr. Small of Global Television. If the Hon. Member has any other information, let him convey that to the RCMP himself.

Some Hon. Members: Hear, hear!

POSSIBLE INSIDE TRADER ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is the Minister of Finance who has the responsibility for Budget information, not Members on this side of the House. He ought to know that.

Some Hon. Members: Hear, hear!

Mr. McDermid: What responsibilities do you have?

Mr. Broadbent: I want to ask my question of the Minister again since he did not answer. The Minister of Finance knows that the reason for confidentiality and secrecy in Budget matters, among other things, is to avoid inside trader action on the stock market. Since he knows without question that at least two Canadians had that information before the Budget came down—and the story is that another Canadian who had it told 20 more—I want him to assure us that there is no Canadian who used this information for private gain. If he cannot give us that assurance, will he give us his resignation?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Canadians I think are getting sick and tired of—

Mr. Barrett: You!

Mr. Wilson (Etobicoke Centre): —the political posturing of the Leader of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): So is Bob Rae, his colleague, who I think will be taking his place in a very short few months.

Mr. Lapierre: Who will take yours?

Mr. Wilson (Etobicoke Centre): The point the Hon. Member has raised was the point of discussion for two hours before lunch. We indicated to the House at that time that when we found out the information, we acted as promptly as we could.

Mr. Riis: No, you did not. Not true!

Mr. Wilson (Etobicoke Centre): We contacted the Leader of the New Democratic Party who is now saying: "Why did you not do something differently?" when he himself was obstructing the efforts that we were undertaking to get that Budget to the House in order to present it.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, as a man who was once involved in dealing with stocks in the private sector and who heretofore has acted with responsibility and integrity, I say frankly to him that he knows it is the mere possibility of having access to information that could give private gain that goes to the core of ministerial responsibility as Minister of Finance. For that reason he should resign. He knows that.

Some Hon. Members: Hear, hear!

[*Translation*]

WHY DID THE PRIME MINISTER NOT ASK FOR THE RESIGNATION OF HIS MINISTER OF FINANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if we consider that many people had access to this information and that there is a possibility of private gain, my question is simply this: Why didn't the Prime Minister ask the Minister of Finance to resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the New Democratic Party is making very serious charges against the Minister of Finance. The Minister did try, by entirely lawful means, to have the Budget tabled in the House of Commons last night instead of bringing the Budget directly before the public. However, when the request was made, the Leader of the New Democratic Party refused to give his consent. Now that is a case of total hypocrisy!

* * *

• (1430)

[*English*]

THE BUDGET

SECRECY OATHS SWORN BY PRINTERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister of Finance just claimed that the security measures which were associated with the printing of this Budget were the same as in the past. I want to ask him to confirm that, unlike the past, during the printing of this Budget of his no secrecy oaths were sworn by those involved in the printing of the Budget. Can he confirm that?

Hon. Paul Dick (Minister of Supply and Services): I can assure the Hon.—

Some Hon. Members: Oh, oh!

Mr. Dick: I can assure the Hon. Member that every single individual who was in the printing area where the Budget and relative documents were being printed has been cleared to a level of secrecy, secret or top secret level.

An Hon. Member: That's not the question.

Mr. Dick: That is in the same tradition as all other security matters which were identical in all the previous years.

Some Hon. Members: Hear, hear!

PRESENCE OF EXTRA SECURITY PERSONNEL DURING PRINTING

Hon. Bob Kaplan (York Centre): I think, Mr. Speaker, the House will have noted that the Minister did not answer the question that I asked.

I want him as well to confirm that, unlike the printing of past Budgets, on the occasion of this Budget there were no extra security personnel brought in to be certain that the printers, while they were printing, were not reading the documents that they were printing. Can he confirm that?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I have already explained to the Hon. Member that all the precautions that have been taken in previous years were applied again this year, and that the 200-odd printers that were involved have all been cleared to a level of secret or top secret.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

MINISTERIAL ACCOUNTABILITY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Finance Minister. If in fact the Budget leak was the result of a criminal act, then that particular person or persons were aided and abetted by the circumstances which would have allowed the criminal act to take place. Ultimately it is the Minister of Finance who is responsible for the secrecy and confidentiality of his Budget. I would like to put the question to the Minister: Exactly what is his concept of ministerial accountability and responsibility?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say to the Hon. Member that if there was anybody who was aiding and abetting a criminal act, it was the Leader of the Opposition by not allowing—

Some Hon. Members: Oh, oh!

Mr. Axworthy (Winnipeg South Centre): Withdraw from the House.

Some Hon. Members: Out, out!

Mr. Speaker: The Hon. Minister of Finance, I am sure, realizes that he has gone a little too far, and I would ask him to withdraw his remark.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I withdraw the comment.

Mr. Nunziata: Mr. Speaker, I would like to put my question again. The Prime Minister and others have referred to the Budget leak as a criminal act, and it may or may not have been a criminal act. But the fact remains that it was possible for someone to have had access to that particular *Budget in Brief*. We know that this may in fact not be a single source leak. So the point is, Mr. Speaker, that the Minister, as the Finance Minister, surely must be ultimately responsible for the secrecy of his Budget. So I put the question to the Finance Minister again. What exactly is his concept of ministerial responsibility and accountability? Does he assume any responsibility whatsoever for the fiasco in which he finds himself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is a very serious question. As Prime Minister responsible for the Ministry, I owe it to my hon. friend to respond. The question goes to the extent and nature of ministerial responsibility. I think I can say in fairness to my hon. friend who has been here for four or five years, that the conduct of the Minister of Finance himself over the four or five years is indeed, I believe, a model of ministerial responsibility. I think that has been the record.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I suppose that the question that Canadians and parliamentarians will have to ask is, does the concept of ministerial responsibility extend to the limits suggested by Senator Forsey, or does the elastic go all the way to the limits extended by the Right Hon. Leader of the Opposition, where even an individual who perpetrates a criminal offence comes within the purview of the Minister? That is a legitimate question, I think, for consideration.

May I say to my hon. friend that although an RCMP inquiry is going on, I draw the information from the individual who was communicated with, Mr. French of Global who said, and I quote him: "I guess the criminal likes to return to the scene of the crime". It was the individual who received the information, who then made it public, who used the term "criminal".

The question to be answered is, did the Minister of Finance conduct himself in full keeping with the demanding traditions of British parliamentary democracy, and the answer is yes.

THE BUDGET

QUERY RESPECTING BENEFIT FROM INSIDE INFORMATION

Mr. Lorne Nystrom (Yorkton—Melville): My question is the Minister of Finance whom we in this House have known for a long time as a man who realizes his responsibilities and his obligations to the people of this country. I want to say with respect, Mr. Speaker, that he did not answer the question of my Leader as to whether or not anybody had benefited from inside information. I want to ask him very clearly and slowly, and for him to answer categorically, if he can assure the House that no one has used inside information from this Budget for personal gain?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have no evidence of that at all. If the Hon. Member has any evidence of the fact, then surely he owes it to the House and to the people of Canada to report that to the RCMP.

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THE BUDGET

INVESTIGATION OF TRADING BY SECURITIES COMMISSIONS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister said he has no evidence, and he cannot give us any assurance. Would the Minister respond positively to the following question that was put by Sinclair Stevens on April 19, 1983, during the Marc Lalonde affair, as reported at page 24628 of *Hansard*:

> Finally, has he—
>
> The Minister—
>
> —taken steps to ensure that securities commissions in every Province in Canada will be immediately asked to investigate what trading has taken place, particularly in the very volatile bond field, to determine if insider profits have indeed been made?
>
> Has the Minister done that?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, as was pointed out by the Prime Minister and the Hon. Member, as soon as the RCMP was informed of these events early yesterday evening, a thorough investigation of the allegations was underway, and the securities commissions in the provinces concerned were contacted. I believe an investigation is now underway at the securities commissions of four provinces, because we take this very seriously. When such allegations are made, I believe that either one should provide evidence, before the House or

elsewhere, of the allegations, or else one goes to the securities commission or to the RCMP with the requisite proof. However, it would be irresponsible to speculate about facts that have not been corroborated. The investigation is underway, Mr. Speaker, and as soon as we have the facts, the findings, we will be able to disclose them.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE PEOPLES' ASSEMBLY OF MOZAMBIQUE

Mr. Speaker: I wish to bring to the attention of Hon. Members the presence in the gallery of Mr. Marcelino Dos Santos, President of the Peoples' Assembly of Mozambique.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

ALLEGATIONS OF PRIVATE GAIN FROM BUDGET LEAK— REQUEST THAT MINISTER RESIGN

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to return to the essential question of ministerial responsibility, particularly in this case, the responsibility of the Minister of Finance as trustee of the public purse. Yesterday afternoon the Minister and his colleagues knew that there had been a leak of vital information on the Budget, in fact the entire Budget. There is now evidence that that leakage was widespread and that there were a number of sources.

Mr. Clark (Yellowhead): What evidence?

An Hon. Member: Where is the evidence of that?

Mr. Axworthy (Winnipeg South Centre): He also knew that the stock markets of this country were still open, particularly those on the West Coast where shares in companies affected by the Budget, like Air Canada, were already traded.

Under those circumstances it was clear that the opportunity for private advantage, for private gain existed, which fundamentally breaks the principle of budget secrecy and ministerial accountability. Therefore, why did the Minister not withdraw the Budget and do the honourable thing and resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker,I think the Minister explained this morning, in response to other questions, the reason for the actions that were taken. The initial intention, when the information became known, was to bring the Budget to the House of Commons. Unfortunately, because of the absence of consent, we were prevented from bringing it to the House.

I have explained to my hon. friend the manner in which the Minister has always discharged his responsibilities, in this case as well.

In fact, I bring to the attention of my hon. friend from Winnipeg a comment in this morning's *Winnipeg Free Press*, which states in regard to the Minister: "The Minister cannot, however, reasonably be held responsible for the illegal actions of functionaries far beyond his control".

The *Winnipeg Free Press* takes a reasonable and thoughtful position on this matter, and I urge it upon the Member for Winnipeg South Centre.

REQUEST THAT BUDGET BE WITHDRAWN

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, with all due respect, the Prime Minister has it wrong. The questions being raised are not about whether the Minister of Finance was responsible for illegal actions. But he is responsible for the Budget of Canada. He is responsible for whether that Budget gives private advantage to certain individuals. Therefore, he must take responsibility for proceeding with a Budget which has all the potential of giving private advantage, private gain, private profit to individuals as a result of this secrecy. Therefore, is it not true that both the Minister of Finance and the Prime Minister had only one honourable option, which was to withdraw the Budget? No Budget or Minister stands above the rights of this Parliament or the rights of Canadians to be treated fairly and properly in the Budget process.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Hon. Minister has followed all of the appropriate procedures that have existed over the decades—

Some Hon. Members: If.

Mr. Mulroney: And the evidence is that he has.

[*Translation*]

Mr. Lapierre: We'll see!

Mr. Mulroney: The Hon. Member for Shefford (Mr. Lapierre) says: "We'll see!", the implication being that he has arguments to the contrary. If that is the case, say so. Stop being such an incredible hypocrite!

* * *

[*English*]

THE BUDGET

ALLEGED PRIVATE GAIN FROM BUDGET LEAK

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Prime Minister. I suggest that the Prime Minister confuses his loyalty to his friend, the Finance Minister, with his responsibility to the people of Canada.

Budget information was available 24 hours in advance of the scheduled date, at least, perhaps as early as Tuesday. We know that the actual documents were printed on Sunday and Monday, so perhaps they were available as early as that date. Is the Prime Minister suggesting to the people of Canada that the potential millions of dollars in private benefit given to a privileged few can be legitimized in the interest of keeping his friend, the Minister of Finance, in the federal Cabinet? Is that what he is telling the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Hon. Minister of Finance has followed all the historic proceedings in regard to security—

Mr. Lapierre: If.

Mr. Mulroney: —and he has. There is no evidence at all that he has not. If has fulfilled all of the historic obligations pursuant to his office, and he has because there is no evidence to the contrary, is my hon. friend saying, as a new constitutional principle of ministerial responsibility by the Liberal Party, that henceforth Ministers of the Crown are not only responsible for all within their traditional purview, they are also responsible for criminal acts and misdemeanors performed by others with a view to subverting or sabotaging an honourable ministerial undertaking? If he is saying that, that is a dramatic departure from accepted British parliamentary traditions.

Mr. Tobin: Mr. Speaker, the Prime Minister has just articulated a new principle, and it is very simple. It is that friends of the Prime Minister must be saved at any cost, including public trust and public integrity. That is the new principle put forward by the Prime Minister.

• (1450)

REASON FOR REQUEST FOR EXTENDED SITTING

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): I have a question for the Minister of Justice, and it regards the conduct of the Minister of Finance.

It has been argued today by the Prime Minister and argued earlier by the Minister of Justice, that the Minister of Finance acted immediately when he knew there was a leak. Members of this House know that at 5.50 p.m. yesterday the Minister of Justice, and Government House Leader came into this House and asked for extended hours. He did not tell the Opposition why he wanted extended hours but he asked for them. When the request was refused, he left.

I want to ask the Minister of Justice, did he know yesterday at 5.50 of a Budget leak? Did the Minister of Finance know about a Budget leak? Did the Prime Minister know about a Budget leak? Why didn't they come clean with Parliament at 5.50 when they made a mysterious request for extended hours? Why the cover-up?

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): I was in a committee meeting in Room 209, West Block, and I received a phone call at approximately 5.40 p.m. from the Minister of Finance. The Minister of Finance indicated to me that there was an indication of a possibility of a potential Budget leak.

Some Hon. Members: Cover-up, cover-up.

Mr. Lewis: I said, the potential of a Budget leak. We knew that we had to keep our options open.

Mr. Tobin: Damned right you knew, but you didn't tell us.

Mr. Turner (Vancouver Quadra): What reason did you give to the Speaker?

Mr. Speaker: The Hon. Member has advanced a very specific question, the Minister is trying to answer, and he deserves the courtesy of being allowed to finish.

An Hon. Member: You have just entered your plea of guilty.

Mr. Lewis: As a measure of prudence we made an effort to keep the House open so that in the event that the Budget leak was substantiated we could come to the House of Commons, which is exactly what we asked the Opposition to do last night, but they refused to co-operate.

Some Hon. Members: Guilty, guilty. Cover-up, cover-up.

Ms. Copps: The Minister participated in a cover-up.

* * *

THE BUDGET

CALL FOR RESIGNATION OF MINISTER

Mr. Nelson A. Riis (Kamloops): My question is for the Minister of Finance. Would the Minister of Finance explain to the House why, when he received the information from Global Television at 5.30 p.m. last night that detailed elements of the Budget sufficiently to indicate very clearly that someone had a leaked document, will the Minister of Finance explain why he did not come into the House at that time, when the House of Commons was still in session, to explain what had happened and to do the honourable thing and resign?

Mr. Andre: He would have required unanimous consent, which you wouldn't give.

Hon. Michael Wilson (Minister of Finance): I think the previous answer by my colleague, the Government House Leader, has indicated very clearly what we did.

When I found out the information, I first called the Prime Minister, I then called the Government House Leader and the Deputy Prime Minister, and advised them of this, and I said "I think it might be wise if we kept the House open pending"—

Mr. Gauthier: Why didn't you tell the House?

Mr. Wilson (Etobicoke Centre): —until we could ascertain more precisely what we were expecting to hear on the Global Television program.

When that information did come, we then went to the Leader of the New Democratic Party, the Leader of the Official Opposition, and requested a special sitting of the House at which we could provide that information to the House. That request was denied.

MINISTER'S RESIGNATION REQUESTED

Mr. Nelson A. Riis (Kamloops): The question for the Minister of Finance or the Prime Minister is the following: What the Minister of Finance has just indicated is that at 5.30 p.m. there was sufficient evidence to believe there was a leak.

Mr. Andre: No there wasn't.

Mr. Broadbent: Oh, yes there was. They had the figures.

Mr. Riis: They had the detailed information, however the House was misled. Rather than come to the House recognizing that the possibility existed, the House Leader came in and gave some spurious argument that he wanted to continue to debate the issue of the day. They knew it was before us, but they didn't have the courage to come in and explain what had happened.

Mr. Clark (Yellowhead): That is false.

Mr. Riis: I want to ask the Prime Minister a question. You asked for the resignation of a previous Minister who visited a nightclub in Germany. This Finance Minister has committed the largest political, parliamentary financial blunder in history. Why wouldn't you ask for his resignation?

Mr. Wilson (Etobicoke Centre): We do take these matters extremely seriously.

Some Hon. Members: Cover-up, cover-up.

Mr. Wilson (Etobicoke Centre): That is why we did not jump to snap conclusions, as the Hon. Member is suggesting that we should have done. We felt that it was very important for us to substantiate what was being told us on the telephone before jumping to a quick conclusion that we had to, in his way, scrap a Budget or come immediately to the House.

Mr. Tobin: Meanwhile the stock market is trading away.

Mr. Wilson (Etobicoke Centre): Let me just read what the reporter, Mr. Small said: "Many of these things have been predicted, but as I say this was incredibly well detailed, but on the basis of only one anonymous phone call we were not going to report the detail that we have got it". So that is the basis on which my colleague, the House Leader, felt we should try, as a precautionary measure, to keep the House open until we found out precisely what sort of information we were dealing with.

* * *

THE BUDGET

ASSURANCES SOUGHT RESPECTING REINFORCEMENT OF RESERVES UNIT

Mr. Holtmann (Portage—Interlake): I want to direct my question to the Minister of Defence.

In view of the fact that the Budget has announced that the proposed submarine program will be cut, along with closures of 14 military bases across Canada, one of which is in my constituency, I ask the Minister whether he can assure this House that other areas of the White Paper, in particular reinforcement of the reserves unit, will still be put into force? Further, I ask him to assure my constituents that he is prepared to work with all other federal Departments to help replace the economic loss of that area.

Mr. Gauthier: That is out of order.

Hon. Bill McKnight (Minister of National Defence): I can appreciate the interest of my hon. colleague in the Budget, the necessity of the Budget, and what has been brought about. The White Paper and the broad parameters of the White Paper will be maintained. Also reserves will continue to be increased. We will not be able to make the estimate of some 65,000, but the reserves will continue to be a total part and a very important part of the build-up of military strength.

Regarding the closures that have to take place—

Some Hon. Members: Out of order.

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THE BUDGET

REASON FOR LACK OF NOTIFICATION OF HOUSE LEADERS

Hon. Herb Gray (Windsor West): I have a question for the Minister of Finance. When he got that report from the journalist, did he not recognize his own Budget, which he wrote himself? If that was the case, why didn't he and the Government House Leader come clean, at least with the House Leaders of the Liberal Party and the NDP right away? Why did he create that problem by his own negligence?

Hon. Michael Wilson (Minister of Finance): The Hon. Member knows that in anticipation of a Budget there are all sorts of stories going around, all sorts of speculation by Members opposite as well as members of the media, so that it is important that before we jump to those conclusions, we find out just precisely what we were dealing with before making those decisions.

Mr. Gray: Canadians will find it hard to believe that the Minister did not recognize his own Budget when he was told about it.

I want to ask the Minister of Finance and the Minister of Justice a question, especially since I was in the House at the time the Minister of Justice moved his motion for extended hours, I was there and stood up to block the motion, along with at least 15 other people. I ask the Minister of Justice why he didn't come over to me and even ask me if I would help him deal with the matter on my oath as a Privy Councillor? Why did he let two hours or more go by so people could make use of the information? Why did he not once again, I ask him, release the whole problem?

Mr. Simmons: You blew it, Doug. You blew it.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board) and Acting President of the Treasury Board): Contrary to the suggestions made previously, I came into the House, was recognized, and immediately moved the motion under the rules with no debate whatsoever, so there was no misleading of the House.

Ms. Copps: Why didn't you tell the truth?

Mr. Lewis: I say to my hon. friend yes, my hon. friend was in the House and stood up to block the motion, but when I entered the House my hon. friend was not here.

• (1500)

We took the precaution of trying to keep the House open so that if it was substantiated that there had been a Budget leak we could have come into the House. However, once again the opposition blocked us.

Mr. Speaker: A single question from the Hon. Member for Burnaby.

* * *

THE BUDGET

INQUIRY ABOUT PERSONAL PROFIT

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is directed to the Minister of Finance. We have heard from the Solicitor General that a full inquiry has been ordered into the possibility that individuals may have profited personally from the Budget leak, including an inquiry with securities commissions.

In view of the fact that the Minister of Finance's own colleague recognizes the possibility that there may have been personal profit as a result of this Budget leak, what else does it take for the Minister of Finance to do the honourable thing and resign? Does he not recognize his responsibility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have answered that question, but I would be happy to try to respond again.

As I understand it, the nature of the RCMP inquiry was initiated given the fact that a journalist was on television saying that he had received what appeared to be, as qualified by himself, proceeds from a crime, from a criminal.

Mr. Turner (Vancouver Quadra): A crime? How do you know?

Mr. Mulroney: This is the statement made by the journalist.

Mr. Turner (Vancouver Quadra): Is Small a criminal because he received it? I would like to know the answer to that.

Mr. Mulroney: The RCMP is conducting a full investigation. That investigation extends to the actions of presumably all of those involved in that part of it, and also extends to the stock exchanges to ascertain if anybody has profited in any way from any kind of information. Thus far there is no indication whatsoever of that. However, the Solicitor General has said if any information comes to him he will report to the House immediately, and I know if my friend has any accusations or any specific information he will make it known to the RCMP.

Mr. Speaker: Prior to the noon adjournment we were dealing with a number of questions of privilege and the Hon. Member for Kamloops had the floor. I will return to that Hon. Member in a few minutes.

However, I have received a question of privilege arising out of this Question Period and I will hear the Hon. Member for Port—Moody Coquitlam.

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PRIVILEGE

MOTION UNDER S.O. 26(2)—EXTENSION OF SITTING

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I refer to yesterday's *Hansard* at page 1001.

During Question Period today the Minister of Justice (Mr. Lewis) told the House that he rose in the House at 5.45 p.m. and tried to continue the sitting of the House because he thought that there was a Budget leak. He indicated that he had facts about the Budget leak, and in his answer to the question he indicated that he had a call from the Minister of Finance (Mr. Wilson).

Yesterday at 5.45 p.m. I was about to speak, and at page 1001 of *Hansard* I raised a point of order when I was interrupted by the Minister who stated:

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of second reading of Bill C-9, an Act to amend the Bank Act.

The Minister was not telling the truth to the House. He was seeking to adjourn—

Mr. Speaker: There are ways and places to make a charge, and I am sure the Hon. Member has an argument here. However, I have some difficulty understanding where the point of privilege is. When the Hon. Member completes his submission, I would like him to show where there is a point of privilege. I know the Hon. Member will want to put his remarks in such a manner that he is not transgressing the rules.

Mr. Waddell: Had the Minister indicated to the House at that point that there was a problem with the Budget, then it quite likely would have been possible to continue the sitting of the House. The Minister did not tell the House that. Indeed, in my submission now, he is telling us the opposite. He misled the House and misled me. I say that is a question of breach of privilege of the House.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my friend is correct in his citation of *Hansard vis-à-vis* the page. However, I indicated earlier that when I rose yesterday there was no discussion. I made the only motion possible at that time, which was the continuation of consideration of second reading of Bill C-9, an Act to amend the Bank Act. We made that very clear.

I have made it clear outside the House and I have made it clear inside the House that we had an indication of a Budget leak. At that time that was all it was. However, we felt if we could keep the House open we would then have a forum which is open to all Canadians and televised instantaneously to make this matter public.

An Hon. Member: Why didn't you say that yesterday?

Mr. Lewis: There was no co-operation at a quarter to six, and there was no co-operation at 8.30 p.m. either.

Mr. Benjamin: If you wanted co-operation, why did'nt you tell us?

Mr. Speaker: The Hon. Member for Kamloops is seeking the floor on the same point.

Mr. Riis: I just wish to correct the point made by the Government House Leader when he said that this was the only way to have extended the sitting. There are two other ways. He could have consulted with the opposition House Leaders, both of whom were in the building at the time. Also, had he come clean with the House of Commons and explained that there was a situation pending, with unanimous consent we could have agreed to not see the clock and the hours could have been extended beyond six o'clock. However, he did not come clean with the House of Commons; he tried to pull a fast one on us.

Mr. Speaker: The Hon. Member for Windsor West is seeking the floor. I will hear him and the the Hon. Member for Saint-Denis.

I do wish to point out that this is becoming debate. It is the issue upon which the entire privilege debate is taking place and which is going to be resumed shortly. I will hear the Hon. Member for Windsor West, but I would ask him to keep that in mind, and then I will hear the Hon. Member for Saint-Denis.

Hon. Herb Gray (Windsor West): Mr. Speaker, shortly before the Minister of Justice (Mr. Lewis) entered the House to move a motion under Standing Order 26 I went briefly to the Parliamentary Reading Room around the corner. When I returned to the lobby I was informed that the Minister had just put his motion, and seeing no reason that I could think of to justify a motion to extend hours on Bill C-9, a Bill to amend the Bank Act, I went into the House with my colleagues to stand up and oppose the motion.

It is a gross distortion, to say the least, for the Minister of Justice to accuse me or any Members of the House who opposed the motion at that time of not being willing to co-operate in dealing with the problem the Government created for itself in not maintaining the security of its Budget.

If the Minister of Justice had come clean with the House Leader for the New Democratic Party and myself, at the time he came into the House, things might very well have been different.

While I spend a lot of time trying to read the minds, if I may use that word loosely, of Government Members and discern what they are up to in their proceedings in the House, there is no way that I or anyone on this side of the House could have figured out the real reason for the Minister moving the motion.

It does raise a question regarding the privileges of the House when the Minister comes into the House and moves a motion for one purpose when he has another much more serious purpose in mind and fails to disclose that to people like myself who might well have something to do with the arrangements of the Business of the House.

It is also a breach of the privileges of all Members for the Minister of Justice, in effect, to project on Members such as myself any responsibility for the problem he got into because of his own negligence and incompetence.

• (1510)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I was here last night at exactly 5.56 p.m. I was here for the hour before that but I was here when the Hon. Minister raised the question.

Mrs. McDougall: You are always here.

Mr. Prud'homme: Yes, I am always here. The reason I rise today is that my name is there and I participated as you can see it recorded in *Hansard* at page 1001. I do not want to complicate your task further today but I would like to say that if I had been given any indication why the Minister came here to interrupt and ask to proceed according to Standing Order 26(1) which states:

> That this House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of second reading of Bill C-9, an Act to amend the Bank Act.

That is what I objected to last night. If you read page 1001 of *Hansard* you will find it is that to which I was referring. I could not understand why so early in the session the Government wanted to poison the atmosphere by sitting later on the first day of debate on a Bill. One usually does that toward the end of a session when Members talk too long, when the Government has its own agenda and wants to have more legislation to show it has been doing something for the good of the country. But so early in the session, I could not understand why the Minister of Justice (Mr. Lewis), the House Leader, and a good friend—we can debate very passionately in this House without destroying the system, that is my style—would not have indicated the reason. I feel that I am a responsible and an orderly Member and I would have rushed to my leader—I do not like to have a boss but I know how to proceed—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: I would have immediately informed whoever is responsible for my Party about what was going on.

But what has happened today is the reason I want to be on record. I did not raise a question of privilege earlier because of what the Minister said during the Question Period.

Your Honour would rule me out of order eventually if I did not stand up today at the first opportunity, and that is why I am now taking the first opportunity to reserve my right to speak later after I have listened attentively to see if we cannot get out of this difficulty.

Your Honour will realize that last night it made no sense for the Minister to come here to participate, I thought in the debate—because that is what the rule is all about—but the Minister was recognized to participate in the debate. The rule is clear. It was during the last hour and, had the Minister taken the floor, he could have put the motion. But that is not what he chose to do. He just came in to put the motion. He lost the vote and he left. That is why I was running after him to tell him that I wanted to listen to the Minister participate in the debate.

This is the explanation I want to make at this time because my intervention would not make sense if I did not give that explanation.

Mr. Speaker: I think the proper thing to do would be for the Chair to consider the remarks of the Hon. Member for Port Moody—Coquitlam (Mr. Waddell) and others. I will consider them at the close of the entire debate on privilege.

The Hon. Member for Kamloops (Mr. Riis) has the floor.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to continue my remarks by running through in logical sequence what happened last night. We believe that there has been a very serious breach of Parliamentary privilege. We are aware that sometime yesterday definitive evidence indicates that there was a Budget leak. The Minister of Justice (Mr. Lewis) described it in those words when he called the two opposition Party leaders late last night indicating that there had been a serious Budget leak and that the House of Commons ought then to resume to allow the Minister of Finance (Mr. Wilson) an opportunity to present the Budget.

New evidence today in the press indicates that there was a possibility that some people even had the Budget a day or two in advance. They say in the press today that not only did they have a copy of the Budget but they presented the information to at least 20 other people. What has become clear is not only was there a Budget leak, but there was the possibility at least of a number of copies of the Budget circulating beyond Parliament Hill.

The Solictor General (Mr. Blais) indicated today that he believes there is a serious possibility of a comprehensive extensive leak so he has asked for the Securities Exchange Commissions to carry out investigations in terms of insider trading. The Minister of Finance knows all about insider trading because of his previous career as a stockbroker. I think he understands the value of this kind of information. We found out later that the Minister of Finance was informed precisely of the details of the Budget at 5.30 p.m. At that time, he informed the Minister of Justice, the Government House Leader, of this possibility.

Those Ministers had an opportunity at that time to share this information with the House of Commons, and certainly with the House Leaders of the opposition Parties, but they chose not to do that and attempted some spurious argument to enable the House to continue. I have to say that was almost misleading the House because they knew why they were asking for an extension of the hours but did not explain it. As a matter of fact, they gave the wrong explanation. We found later that the Budget had now gone public as a result of broadcasting. At that time the Government asked that the House of Commons resume sitting. We, of course, realized at that point it would be folly to do so because the Budget was public and the people across Canada, hundreds of thousands of Canadians, already knew the details of the Budget. It seemed to be after the fact and we were not interested in being part of a cover-up operation or a last minute rescue operation to try to save the faces of the Minister of Finance and the Prime Minister (Mr. Mulroney).

It becomes clear that a number of privileged individuals may have had privileged information in order to advance their own monetary standing. That is a possibility. There is no question of that. Yet the Minister of Finance refused to resign. In my estimation, this is a very clear indication of incompetence on behalf of the Minister and his House Leader. Rather than come clean with the House of Commons, they chose to, if you like, launch a cover-up operation, again misleading the House of Commons, again an act of incompetence in his role as Government House Leader. Yet the Prime Minister

today said that all is well "Don't worry, be happy", in spite of the largest budgetary blunder in Parliamentary history, not only in Canada but in every Parliament of the world. This has never ever happened before.

Mr. Andre: Except in Quebec a few years ago.

Mr. Riis: Yet the fact that many, maybe hundreds or dozens—who knows—stand to gain privately because of this leaked information which is now confirmed, the Budget is presumably going to be introduced later today, after the fact. This is very, very serious.

A former Minister of Justice for the Conservative Party in 1983, in response to the then Minister of Finance's one item leak which was later changed and introduced in a new Budget, said as recorded in *Hansard* on page 24622 of April 19, 1983.

> If—we are to accept the proposition that the Minister either inadvertently or consciously is able outside the House of Commons to present the budget, that acknowledgement alone would render the House of Commons impotent. It would mean there would be no need for us to come here at all. If the Minister could make his budget presentation outside the House, there would be no need for him to present it to Members of the House of Commons.

That is exactly the point. Last night, when the request came for the Minister to present it, it had already been presented publicly outside the House. I suppose, in the usual tradition, what the Minister of Finance (Mr. Wilson) perhaps ought to do is to hold a vote in the National Press Gallery in terms of getting their support for this Budget because it makes no sense now to bring it to the House of Commons for presentation and processing.

• (1520)

There are other very serious issues here.

An Hon. Member: You had better believe it.

Mr. Riis: Earlier the point was made that the Prime Minister of Canada (Mr. Mulroney) saw fit to ask for a Minister's resignation because that Minister had visited a nightclub in Germany. At that time that was considered to be sufficient reason to ask for that Minister's resignation, and he did. Here we have a leak, a budget leak unprecedented in parliamentary history anywhere in the world. I use the term advisedly because I am quoting from the Minister of Justice and the Government House Leader (Mr. Lewis) whom I respect a great deal, who called it a leak when he called my Leader late last night.

I want to go on and make some points. The Minister claims that his privileges have been breached by a criminal act. Whether or not a criminal act has occurred will eventually be determined. The point that we are making today is that the Minister has essentially acted in contempt of Parliament, that the privileges of every single Member of this House have been breached. Every single Member of this House represents the people of Canada. They give us their trust, they provide us with the responsibility, if you like, of collecting and disbursing taxes and criticizing that process.

Our rights have been, if you like, eliminated. Our rights and privileges as Members of Parliament have obviously been breached because this Government decided that the appropriate place to introduce the Budget after the leak had occurred was in the National Press theatre.

Mr. Clark (Yellowhead): We thought it appropriate here, you would not come to the House of Commons.

Mr. Riis: The Secretary of State for External Affairs (Mr. Clark) indicates that he did not want this to happen as it did. I remember in 1983 the present Secretary of State for External Affairs standing up in this House and going on for almost an hour—

Mr. Clark (Yellowhead): That is when you tried to join my Party.

Mr. Riis: —about the importance of any type of leak whatsoever resulting in the automatic resignation of the Minister of Finance. He went on and on for page after page in *Hansard.* It is all here in *Hansard*. It did not matter how the leak occurred, where it occurred, who leaked the information, the fact was that it did occur and the present Secretary of State for External Affairs made the point that it was the Minister who was ultimately responsible. The buck has to stop some place, and with the Minister of Finance it has to stop with him.

Some Hon. Members: Right on!

Mr. Riis: I would like to say that the most convincing, and I suppose extensive argument in terms of what the proper conduct for the Minister of Finance ought to be, was made by the then Leader of the Opposition, Mr. Erik Nielsen. Mr. Speaker, I think it is useful to quote it back to the Members.

> Budget secrecy is a basic principle of our traditions of parliamentary Government. It means that the Minister responsible for bringing down a budget is also held responsible to see to it that the provisions of that budget are not prematurely released. The reasons for this are many. Foreknowledge of budgetary measures has led to the acquisition of private gain and to sharp market fluctuations. My information is current that those fluctuations are taking place and that the Canadian dollar is indeed now falling on the markets.

We have received preliminary information to that effect ourselves. We know that this has had an impact in the international market-place, and the currency values of the Canadian dollar have obviously been seriously fluctuating.

Then he goes on to say:

> What we are talking about here is not in the book of rules. We are talking about the absolute necessity that the integrity and the probity of the Minister of Finance with regard to the Budget be maintained.
>
> The Minister of Finance in his heart of hearts knows this.

I believe that the Minister of Finance over the years has indicated time and time again that he understands the responsibilities given to him. He understands the obligation. He is responsible for maintaining the security of our financial system and for its stability. He accepted that responsibility. I would expect that the Minister of Finance, knowing the expectations that are with him and the obligations that he has accepted by accepting that ministry, would do the honourable thing, now that such a gross error, a gross blunder has occurred. He has to accept the responsibility that the security was breached in terms of budget secrecy. There is no question of that.

I think it is rather galling of the Minister to begin this discussion today by complaining that his rights as a Minister have been breached, and then for the Government to suggest that all of this was the opposition's fault. This is absolutely unbelievable that these kinds of comments are being made.

I would like to conclude by remarks by simply saying that there are a number of things that become extremely evident. One is that the Minister of Finance has to accept responsibility for Budget security. That Budget security was breached. There was an obvious leak of the Budget, an entire Budget, in terms of its content being made public prior to it being tabled in the House of Commons. There is no other alternative than for the Minister of Finance to resign. I must say that for the Prime Minister to not at least request that resignation, itself is a breach of the responsibilities and obligations that the Prime Minister assumes.

An Hon. Member: Shame, shame.

Mr. Riis: More importantly, the people of Canada have a right to have Budget secrecy exist. My hon. friend, the finance critic for the New Democratic Party, pointed out earlier that in his haste for propaganda in the country, the individuals and firms that happen to exist or have lobbyists in Ottawa, have also received privileged information. They received all of the budgetary details at 10 o'clock last night. All the details, the fine tuning of the Budget, they received here in Ottawa. In Vancouver, Regina, Halifax, a day later they received the information. Last night a privileged group of Canadians who happen to live or to be in Ottawa last night were receiving detailed budget information hours in advance of those living in other parts of Canada.

An Hon. Member: And Members of Parliament.

An Hon. Member: And local broadcast area.

Mr. Riis: Of course, as my hon. friend for Skeena (Mr. Fulton) indicates, those who received Global broadcasting had extra privileged information. It is a shemozzle. It is beyond imagination. For the Prime Minister to allow this Minister to continue, as far as we are concerned, is completely unacceptable.

I do hope that you find, when you review the arguments put forward by Hon. Members, that in terms of parliamentary privileges of Members of this House, every single Member's privileges have been breached. There is no question of that. As my Leader has indicated, the appropriate thing to do would be to send this entire matter to the appropriate standing committee for review. Following that, the Prime Minister should do the honourable thing and not only ask for the Minister of Finance's resignation but withdraw the Budget.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Bernard Valcourt (Minister of Consumer and Corporate Affairs): Mr. Speaker, Marc-Yvan Côté was talking about them when he—

Mr. Speaker, the question before the Chair today is very important, and even exceptional, considering the circumstances last night and what happened when we had an unauthorized disclosure of parts of the Budget.

• (1530)

This morning, the House heard an eloquent speech by the Leader of the Opposition (Mr. Turner) on a question of privilege—to which I intend to speak today—an eloquent defence of the principles of parliamentary democracy. This is the same gentleman who a few months ago asked non-elected senators to obstruct the will of Parliament.

Some Hon. Members: Hear, hear.

Mr. Valcourt: Therefore, Mr. Speaker, when you consider the question,—

An Hon. Member: The Senate—

Mr. Valcourt: —the Senate, who are not elected. Of course, the Liberal Party's concept of democracy does not go beyond the petty interests of the Liberal Party and ignores the interests of the people of this country! And there is a big difference, believe me, between the interests of Canadians and the interests of the Leader of the Liberal Party and his followers.

The issue before the Chair is whether the privilege of Members of this House has been breached. I believe that this morning, the Minister of Justice (Mr. Lewis), clearly explained before the House what circumstances caused the Government and the Minister of Finance (Mr. Wilson), the best one we ever had in this country,—

Some Hon. Members: Hear, hear.

Mr. Valcourt: —to reveal the contents of his Budget earlier than anticipated, and to do so before the Canadian public.

An Hon. Member: Participatory democracy!

Mr. Valcourt: The Liberal Members who spoke earlier and my hon. friends in the New Democratic Party are upset by what happened and about this terrible breach of British parliamentary tradition, namely that the Budget was not brought down before this House. I admit that to me it is also a matter of some concern because usually, according to parliamentary custom, the Budget is brought down within the precincts of this House before the elected representatives of all Canadians and, through television, before Canadians across this country.

Yesterday, however, the public interest was threatened by a person who may have committed a criminal offence. That person did not attack the Minister of Finance or the Minister of Justice. That person attacked our country by violating one of its fundamental laws. That person violated a section of the Criminal Code by stealing a document. It is all quite straightforward, Mr. Speaker. Did you hear the Leader of the Opposition this morning? And his new principles? It seems that since the election on November 21, the Liberal Party has acquired some new principles. They have a new principle of physics which says that everything that goes out can come in. This morning, we were given a new principle of criminal law, which says it is all right to steal if the door isn't locked. This, from the Leader of the Opposition. That is what he told us this morning.

However, Mr. Speaker, when you examine the question before the Chair, I think that in addition to protecting the interests of our Parliamentary system and our Parliamentary tradition, you must also consider the people of this country who witnessed the petty politicking of power-hungry Liberals and white-collar socialists, who are interested in only one thing and certainly not in the interests of Canadians. The socialists keep complaining that the rich are not taxed enough. Look at last night's Budget. Look at the minimum tax on corporations, the tax on the wealthy, on people earning over $50,000, all of which the socialists have been demanding for a long time. There is good news in the Budget for this country.

They do not want to talk about it. They would rather try to cloud the issue by calling for the resignation of the Minister of Finance who has the reputation for being the most credible and most honest in Canadian history. I speak of my colleague, the Minister of Finance.

Some Hon. Members: Hear, hear.

Mr. Valcourt: Mr. Speaker, the Minister of Finance said so this morning, as did the Minister of Justice (Mr. Lewis) and the Deputy Prime Minister (Mr. Mazankowski): there are two basic principles, I believe, that underlie the issue of budget secrecy. Of course, people are not to profit while others cannot, and also the principle that the Government's financial, economic and fiscal policies should be laid out in the House of Commons. Now, what happened last night?

This morning, I heard Opposition Members accuse us of saying that what happened yesterday was the Opposition's fault. No one on this side of the House ever said that! The Minister of Finance never blamed the Opposition for this crime—neither the Liberal Opposition nor our friends the social democrats. No way! But what we are complaining about is that, you see, those people are talking out of both sides of their mouths. On one hand, they complain that Parliament did not receive the Budget, but on the other, when we wanted to call Parliament, with their consent, to present the Budget, they were opposed. Where I come from in Madawaska, we call that talking out of both sides of the mouth. There is a cruder expression for it in English, but that is what they are doing. Today, they think that they will impress

Canadians. This morning, Mr. Speaker, our caucus got up early; we were earlier than usual, raring to go.

An Hon. Member: Is your conscience bothering you?

Mr. Valcourt: No, I have a clear conscience. I would like to be able to say as much for you!

Mr. Speaker, I listened to ordinary citizens on an open-line radio show, first in English. Seven people called: seven Canadians, ordinary people whom they love to claim to represent, who voted for us on November 21. These people were saying: "Michael Wilson, the Minister of Finance, resign? Not on your life! He should not resign!" Because Michael Wilson cannot be held responsible for a criminal act that someone else committed. Canadians understand that. They understand that in Madawaska, they understand that in New Brunswick, they understand that in Gaspé, they understand that in Bellechasse and they understand that in Kelowna too. They understand that everywhere. But when you have partisan interests that go beyond the famous principles of "Parliamentary traditions", those people don't give a damn about traditions.

The finest British Parliamentary traditions are not what concerns them. What they are asking you to do, Mr. Speaker, is to hold the Finance Minister guilty for something someone else did. You are being asked to push the principles of British Parliamentary traditions to a ridiculous extreme. You are being asked to forget the principles of fairness that underlie the British Parliamentary system. You are being asked, Mr. Speaker, to forget the principles of common sense and the "reasonable person" test that underlies the British Parliamentary system and in fact all common law. You are being asked to ignore that.

An Hon. Member: A prudent administrator.

Mr. Valcourt: You are being asked to ignore that. In Québec, it is called the *bon père de famille*—it is the criterion used. There, it is the "reasonable person". It made sense in Québec and everywhere else. What you are being asked to do is to say that although the Minister of Finance took all the normal security measures that a reasonable person—

Some Hon. Members: No.

Mr. Valcourt: The clowns say no, but they have no evidence. All they know is that someone got hold of a document, and the Minister of Finance said it was not a member of his staff. Someone did it. The police is investigating, and we will have to wait and see. We are not going to speculate on the outcome of this investigation. We will leave that to our hon. friends opposite. What the Chair is being asked to do is to extend those principles well beyond our tradition. And when they talk about tradition, they talk about precedents.

• (1540)

Mr. Speaker, I am an Acadian from New Brunswick. I studied law at the University of New Brunswick, and I know about precedents. The precedents these people are talking about, and I would ask you, Mr. Speaker, to consider them—First of all, according to my modest legal training, for a precedent to be applicable, it must apply to all the facts of the matter at issue. A precedent must deal with facts that are similar, and the principles of law must also apply. In this case, what they are asking the Chair to do is to ignore the difference between the precedents to which they refer and the situation before us today.

In 1936, in the United Kingdom, and the Leader of the Opposition, the Whip says: Oh, wow! When I heard his Leader last night, I also said: Wow! He hasn't improved. He was talking—

An Hon. Member: You weren't even born in 1936!

Mr. Valcourt: No, I wasn't, and maybe—

An Hon. Member: It shows!

Mr. Valcourt: I could say the same about you. The Hon. Member is one of the old timers. Maybe he has been around for too long—Sometimes they tend to forget.

In any case, when in 1936, it was found after an investigation that a minister had shared his knowledge of the Budget with someone else for that person's benefit, he had to resign. Has any Member opposite alleged that the Minister of Finance knew that he had revealed information on the Budget to a third party? If anyone wants to make that charge, let him put his seat on the line! But that is not what they are saying.

When we look at the precedents, Mr. Speaker, we see that at no time in British parliamentary history has there been a situation where we had a deliberate theft of a Budget document that was subsequently handed to a third party.

Mr. Speaker, today you are being asked to condemn the Minister of Finance for something over which he had absolutely no control. In Québec, and Manitoba, in Saint-Boniface and Caraquet and Bellechasse, Canadians are not about to accept the Opposition's proposal that the Minister of Finance be held responsible for a criminal offence committed by someone else. That is taking the principle of ministerial responsibility to unprecedented levels. If we want to show Canadians that one can serve the public honourably and if we want young Canadians to come and work here as Members in this House, we cannot burden reasonable people with absolutely unreasonable and unrealistic standards. That is what they are asking you to do, Mr. Speaker, and I know that, in your wisdom, you will want to consider this argument.

This morning when I heard—

An Hon. Member: Oh, oh!

Mr. Valcourt: You really make me sick!

When we heard the Leader of the Opposition harshly criticize the Minister of Finance and ask for his resignation because the Budget was not tabled in the House—

Mr. Speaker, the Budget will be officially tabled in the House at five o'clock this afternoon, but Canadians have already seen it. Those who revel in being the people's representatives will have an opportunity to vote on this Budget because it will be debated in the House, and every one of us will be able to discuss it. I would encourage you, in the interest of Canada, to vote in favor, even the Hon. Member for LaSalle-Émard (Mr. Martin). The Hon. Member for LaSalle is dead—I mean even the Hon. Member for LaSalle-Émard can vote in favor of the Budget.

In fact, the rights of the Hon. Members are not affected at all and despite the vast experience of our colleagues opposite, they will realize in the days to come that they have an opportunity to discuss the Budget. There will be a debate on the Budget and its contents will be analyzed. Canadians will witness all this and, at the end of the budgetary process, you will vote on the Budget which I have read, Mr. Speaker, and which happens to be fair, equitable and responsible.

While in my constituency of Madawaska-Victoria last weekend, I talked with some citizens about the upcoming Budget and they were speculating on all kinds of measures that could be in it. But all of them agreed, as do all Canadians, that our financial and economic situation is such that the Government must take important and responsible measures to protect the pension plan for our senior citizens, the family allowances program for our needy children, as well as the health insurance system, and they do not want to lose the Minister of Finance (Mr. Wilson).

When we see in the Budget, for example, that Atlantic Canada will benefit from a 35 per cent increase in regional development funds in the next five years—Canadians will not want to criticize the Minister of Finance for that.

Mr. Boudria: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order! The Hon. Member from Glengarry—Prescott—Russell (Mr. Boudria) on a point of order.

Mr. Don Boudria (Glengarry—Prescott—Russell): **Mr. Speaker, I rise on a point of order.**

I think all Members as well as the Speaker have to be patient today when hearing the question of privilege to which all Members have to contribute. I think all Members want to hear everyone's contribution, even if it means granting a little more lecuracy than might normally be the case. That's one thing but to discuss the so-called strong points of the Budget that's going a bit too far.

We on this side of the House have not discussed its weak points. We have talked about the question of privilege, namely whether the budget should or should not be "heard", whether the Minister should or should not stay on as Minister and whether this Budget which the Minister intends to table should be called a Budget. But we have not discussed the substance of the document!

Mr. Deputy Speaker: I would ask the Hon. Minister to stick to the question of privilege.

Mr. Valcourt: Mr. Speaker, how did they put it? To justify their position, they spoke about a non-Budget, a non-Minister, a non-leader, a non-event—

Mr. Speaker, if the Liberals think this is a non-Budget, let them go buy a pack of cigarettes this afternoon! They will find out there is one! And those who like scotch need only go for a drink or buy a bottle, they will see for themselves that there is a Budget.

Mr. Speaker, I would think that you will be taking the matter under very serious consideration before making a rulling in accordance with the principles of British parliamentary tradition. The question boils down to deciding whether or not the Members of this House will have to abide by standards which do not take into account the rules of natural justice.

Our friends on the other side simply ignore the rules of natural justice which have always been the hallmark of parliamentary tradition and their British peers. In the name of democracy, Mr. Speaker, they are asking for the resignation of the best Minister of Finance Canada has ever had. They keep repeating the great democratic principles but, like I said before, these are the same Liberals who do not hesitate to call upon non-elected people to thwart the will of Parliament.

The Liberals are advocating double standards for this House, but I am aware of the wisdom of the Chair and I am sure that you will not give currency to these ridiculous claims made by the Opposition.

Mr. Speaker, Canada is facing a promising future. Canada should look to the future with confidence and I would urge you to ask my colleagues in this House to put an immediate end to this debate just so we may do what we were elected for and sent here to do, which is to govern and to make decisions in the best interests of the country.

• (1550)

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the issue before Parliament today is indeed very serious. I have given prior notification of my intention to rise today on this question of privilege. As a matter of fact, I drove from my residence last night to Parliament Hill in order personally to serve that notice on the Clerk of the House of Commons.

Some Members may not think that driving 50 miles at midnight is important, but I felt the issue was of such importance that it warranted that action. Perhaps Members opposite do not think that not only parliamentary privilege of the House but the more important privileges given to us by our constituents to serve them in Parliament are as important as some of us believe. However, I believe those issues are fundamental to this country being the great democracy it is. I hope that at least some Members opposite would share that view.

If you determine, Mr. Speaker, that I have a prima facie case of privilege, I am prepared to move the appropriate motion to refer this issue to the parliamentary committee. Of course, that statement is indeed necessary in order to proceed with this item further, if Your Honour finds there is a prima facie case of privilege.

There are three issues at stake. The first is that the privilege of this House has been abused and, more important, the privileges of all parliamentarians have been abused, and even more fundamental, the privileges of the constituents who send us here have been abused. The second is that secrecy has been breached. The third is that a commitment made to the House by the Government has been breached.

Perhaps I can start with the last item and describe that to Your Honour. You will know that it is recorded the *Votes and Proceedings* on Wednesday, April 19, 1989:

> By unanimous consent, it was ordered,—That notwithstanding any Standing or Special Order of this House, at 5.00 o'clock p.m. on Thursday, April 27, 1989, the Speaker shall interrupt any proceedings then before the House and proceed forthwith to the consideration of Ways and Means Proceedings No. 1, for the purpose of hearing the Budget statement of the Minister of Finance;

Of course, that was provided for by unanimous consent because the Speaker rose in his seat and asked for the unanimous consent of all Members for the Minister of Finance to proceed at the time indicated in the motion I just read to deal with the issue of the Ways and Means motion, namely, the reading of the Budget in the House.

We gave the Minister of Finance our consent for him to read the Budget in the House. Implicit in that consent is obviously the fact that the Budget would be read in the House and that Members of the House would learn of the existence of its contents before or at least the same time as anyone else in the country. That has been breached twice. First, it was breached by the neglect or whatever caused the leak in question.

Mr. Clark (Yellowhead): Theft.

Mr. Boudria: I notice the Right Hon. Secretary of State for External Affairs who is a lawyer—

Mr. Clark (Yellowhead): My wife is.

Mr. Boudria: I am tempted to say something to the Right Hon. Secretary of State for External Affairs. Not being a lawyer, I will not do it.

However, the Right Hon. Secretary of State for External Affairs will know that for him to state suddenly that this was a theft, and convict whoever it is leaked the document to the media, not knowing whether the individual had been sworn or the person who gave it to him or her, if there was such a person, had been sworn to secrecy, is just a little presumptuous on the part of the Minister. I am sure that upon reflection he will know that as well.

In any event, the first breach was the incident which resulted in the television broadcast and any other situation that caused individual Canadians or a number of Canadians to learn of some of the contents of the Budget. There is a breach of that order of the House which was agreed to by unanimous consent that is even more important, because it was deliberate on the part of the Minister of Finance.

The Minister of Finance stood at the press theatre across the street from Parliament Hill and chose to read excerpts from the document and publicly release the document at a time when Parliament was not sitting, and in contravention to what he himself had agreed to with all other Members of the House by virtue of special order in the *Votes and Proceedings* of April 19, 1989. I submit that those are at least two different occasions when our privileges as parliamentarians were breached. I have described how the commitment to the House was breached.

Second, there is the issue of the commitment to secrecy. You will undoubtedly know, Mr. Speaker, that the parliamentary constitutional conventions are not solely those we have established in our Canadian House of Commons. They are also those that we have inherited from the mother of Parliament, namely, from the United Kingdom.

• (1600)

Now that is not just something that is convenient to say.

[*Translation*]

As a matter of fact, Mr. Speaker, Section 18 of the Constitution Act dealing with legislative powers states, and I quote:

> The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.

In other words, Mr. Speaker, the constitutional conventions established in the Parliament of the United Kingdom are part and parcel of our own constitutional conventions.

[*English*]

Now, I want to bring the following document to your attention. I have an excerpt here which I want to bring to your attention from a book entitled, *Cabinet Government*, Jennings, Third Edition, published in Cambridge. This, I am told, is one of the foremost books of Parliamentary Government or Cabinet Government which is often utilized in the Parliament of the United Kingdom. I read from page 110 of the book in part:

> The third principle is that inasmuch as the secrets of the Government are specially in charge of Cabinet ministers, no minister, and particularly, no Cabinet minister, must in any circumstances put himself in a position where he is not able to be the complete guardian of those secrets in that there is any possibility of any private interests being served through a knowledge of those secrets.

Obviously, that part of our Parliamentary constitutional convention was breached yesterday. The Minister may say it was a breach which was excusable, he may make that case, but I submit to you that I would contest that. His argument would not be valid.

More importantly there has been a breach, wilfully or otherwise. Even if he maintains that it has been otherwise, that particular convention has been breached by the two situations that occurred yesterday.

There have been a number of cases which have been raised as precedents in the Canadian Parliamentary system as well.

Members of this House will no doubt be aware of the 1963 Walter Gordon case where outside experts had been employed to work on the Budget. There was no evidence of a breach of secrecy, no evidence of wrongdoing, no evidence of a leak, but the mere fact that someone from outside saw the Budget was cause for the Minister to resign.

Who asked for that resignation? The Conservative Party. It was achieved. The Government made it such that the Minister of Finance had to resign at that time.

The Minister of Consumer and Corporate Affairs (Mr. Valcourt) asked where were the precedents for what we were asking. This case, which was minute compared to the one we have now—every case is minute compared with the one we have now because there has never been a leak of this size—

Mr. Lewis: Your speech is minute compared with everybody else's.

Mr. Boudria: The Minister of Justice, who put a defence this morning such that he has actually almost convicted two of his colleagues, is talking about the contribution of other Members in this debate. I find it particularly ironic, of all Members across the way, given the testimony that was given by the Minister of Justice in the House today, that he would try to diminish the importance of anyone's contribution here.

The Minister of Justice this morning, and some of his colleagues, have spoken of what is known as the Abbott case where a Budget was presented outside the House of Commons. Two things are different.

First of all, it wasn't a Budget. It was a statement on tax reform and not a Budget per se, as I am told.

The second thing, even more importantly, is that there was not a leak in the sense that some Canadians were made aware or were given or had an opportunity to find out the contents of that document prior to others. It was broadcast simultaneously to everyone who cared to listen to it, obviously a tremendous difference. That is the second difference I have brought to your attention.

Thirdly, the Minister of Finance at that time had not made a commitment to the House that he would present that document in the House. That is in contravention of what we heard today again, so you can see that the defence that was put up this morning by the Minister of Justice was a little less than credible in terms of defending the situation that has occurred now.

A series of events have happened since this morning which I think merit being brought to your attention.

Firstly, this morning the Deputy Prime Minister (Mr. Mazankowski) said it was somehow the fault of the opposition that this Budget had not been presented in Parliament last night.

An Hon. Member: Shame.

Mr. Boudria: In rationalizing this behaviour, which is hardly rational, the Minister said the following about what the Government had tried to do: That they had sought the unanimous consent of all Members of the House by asking the Leader of the Opposition (Mr. Turner). How can the Leader of the Opposition give unanimous consent for everyone in the House? That is a little hard to follow.

I would really like the Minister to explain how the Leader of the Opposition can give consent for me, how he can give consent for the Independent Member from Alberta who sits at the other end of the House, or anyone else.

An Hon. Member: Or Alex Kindy.

Mr. Boudria: Or even some of the Conservative back-benchers of this House who are less than enamoured with the Government across the way, particularly the whips and others in official capacities in the Conservative Party. Need I elaborate?

Obviously, no one can give that unanimous consent. Unanimous consent can only be sought one way. Mr. Speaker knows it well. Unanimous consent has to be sought inside the House by the Speaker.

In order for the Speaker to have asked for that unanimous consent inside the House, there was only one way to do it. The Conservative Government across the way would have had to ask Your Honour to recall the House pursuant to Standing Order 28. Once the House had been recalled, the Speaker could have asked the House, after being recalled, for its unanimous consent to deal with the Budget, or to deal with anything else for that matter.

You cannot ask Members for their unanimous consent unless they are already in the Chamber. That is why the argument of the Government lacks credibility totally.

I still do not know, and of course I cannot ask the question of the Chair, but I am wondering whether the Government ever did go to Mr. Speaker and ask Mr. Speaker to recall Parliament. We don't know that yet, but given that the Government has not volunteered that information, I can only assume one thing: that the answer is no, because if the Government had asked Mr. Speaker for that, they would have obviously indicated that in their statements raised last night.

The Deputy Prime Minister talked about the fact, in one of his speeches this morning, that the House had to be recalled in order for the Budget to be before the House. A little while later in his speech he talked about the Budget, which he described as already being before the House. Well, the order that was passed is such that we can only deal with the Budget at 5 o'clock this afternoon.

So which is it? Was the Budget before the House when the Deputy Prime Minister was making his statement this morning, or was it not before the House? He has, in fact, said both.

My submission is that the order that was passed calls for two things: one, for this Budget to be brought before the House at 5 o'clock today, and secondly, that it would be brought before this House on or before the time that it would be given to anyone else in the country. Given that the Government has breached that part of the agreement, I do not feel that the unanimous consent we gave for the Budget to be presented at five o'clock today still holds, because it was a conditional consent, an inherent one albeit but nevertheless one which I believe holds, that that Budget was to be presented to us before anyone else. That was breached twice. Once, by the leak caused by the negligence of some type or another, and secondly by the Minister's own speech and the Minister's deliberate handing out of those budgetary documents, which was done across the street last night shortly after 10 o'clock. I went to pick up one of those documents myself. Initially, the official refused to give me a copy of the Budget, saying that I was not a member of the Press Gallery.

• (1610)

Some Hon. Members: Shame.

Mr. Boudria: I stated to the official: "You are telling me, sir, that I cannot have a copy of the Budget? As a Member of Parliament, I cannot have a government document?" I also said: "That is going to make an interesting point of privilege tomorrow". Of course, I was given one immediately, as one might expect.

I submit to you, Mr. Speaker, that across the street yesterday, initially even Members of Parliament were denied the privilege of getting a budgetary document. In other words, the press had access to the Budget not at the same time as MPs, but before, and deliberately by an action of the Government.

I believe that I have indicated to you, Mr. Speaker, a number of cases which should convince you that I have indeed a prima facie case of parliamentary privilege.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it has been some time since I have been involved in procedural questions, but there are a couple of matters I wish to raise. As the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) drew to the attention of the House, I am not a lawyer, but I have had the benefit of some instruction from my wife on some of the intricacies of the law.

Ms. Copps: You tried to be a lawyer.

Mr. Clark (Yellowhead): I hope that my school friend, and his quiet seat-mate, will allow for that.

There are a couple of narrow questions that have to be judged by yourself, Mr. Speaker. They are narrow questions about the propriety of the conduct of the Government in quite extraordinary circumstances.

It is important to take a look at the precedents with regard to the activity of a Minister of Finance when information relating to a Budget comes into the public domain. Those precedents are very precise. Whenever there has been a suggestion that a Minister of Finance must resign, that has been because the information relating to the Budget was published by that Minister; it came from the Minister. That was the case. Some Members of the House are shaking their heads. If they have other information, they can bring it forward in this debate.

However, that was clearly the case in the situation of Hugh Dalton who made an incautious remark himself to a journalist on the way into the Mother of Parliaments in Westminster. That was clearly the case in the situation of the Hon. Marc Lalonde who was careless with a zoom lens at least once in his life and had to rewrite his Budget as a consequence. That was the case in all those circumstances in which a suggestion has seriously been made that a Minister of Finance must relinquish his position as Minister because information became available. That did not happen here. That is not the circumstance in this case.

Questions of where ministerial responsibility begins and ends are very serious questions. As the House Leader of the Official Opposition indicated today during his intervention in this point of privilege, there has been a decision by the Federal Court of Canada with respect to that question. It is a decision with which I am rather acutely acquainted, because it had to do with myself and

the Hon. Flora MacDonald when she was the Minister of Employment and Immigration. I should say that is a decision under appeal and the Government of Canada has been granted leave to appeal that particular case. The finding in that case was that a Minister was responsible for certain of the actions or failures to act of an official.

However, the point here is that we are not talking about the action of an official. We are not talking about the failure to act of an official. We are talking about an action that occurred when someone took a document and deliberately conveyed it to a journalist, for reasons known at this stage only to that individual. We are not talking here of officials. We are not talking here of a Minister himself. We are talking here of a thief. That is how this document came into the public domain. Somebody stole it.

Mr. Gauthier: How do you know?

Mr. Clark (Yellowhead): I ask Members of the House to consider whether they are really interested in anything other than simple partisan advantage and making a debate for a day. If they are interested in the principle that is at stake here with respect to ministerial responsibility, they should ask themselves whether it makes sense to suggest that a Minister of the Crown is responsible for actions that occur to that Minister's Department as a result of a thief. Is a Minister of the Crown responsible—

[*Translation*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa Vanier rises on a point of order.

Mr. Gauthier: The Minister has just contradicted himself. In 1983, on page 2462—

Mr. Deputy Speaker: The Hon. Member for Ottawa Vanier cannot rise on a point of order. He will have later an opportunity to rise. Debate. The Hon. Secretary of State for External Affairs has the floor.

[*English*]

Mr. Marchi: What did the Federal Court say on your Department, Joe?

Mr. Clark (Yellowhead): The Hon. Member for York West (Mr. Marchi) has just asked about the court decision to which I referred. Perhaps he was absent from his seat, or perhaps he was absent in his seat when I mentioned that.

It would certainly be a perversion of ministerial responsibility to claim that a Minister is responsible for the actions of a thief.

Let me suggest a parallel. The other day, many Members of the House were concerned with allegations made by one of our colleagues, the Hon. Member for Skeena (Mr. Fulton), that there had been a break-in in the office of the Hon. Member for Skeena.

Ms. Copps: Is this a break-in?

Mr. Clark (Yellowhead): That is now under investigation by officials of the House as to whether or not there was that type of break-in. I ask the House, should the Member for Skeena be asked to resign because someone broke into his office? That is precisely the logic the opposition is proposing here. Members opposite are suggesting that because there has been a document stolen from—

Mr. Deputy Speaker: On a point of order, the Hon. Member for Hamilton East.

Ms. Copps: The Right Hon. Secretary of State for External Affairs (Mr. Clark) talks about a break-in. Is he suggesting that the office of the Finance Minister (Mr. Wilson) was broken into? If that is the case, could he please clarify?

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

On debate, the Right Hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): The point to be made is the principle that many of us have accepted through time and the unreality of the suggestion that the Member for Skeena should be held liable for a break-in into his office applies as strongly to the Minister of Finance (Mr. Wilson).

Ms. Copps: There was no break-in in your case.

Mr. Crosbie: Somebody broke into the Budget, girl!

Mr. Clark (Yellowhead): The Minister should not be held responsible for a theft.

I make the point, Mr. Speaker, that this doctrine is more than ludicrous. If Members of the House are seriously interested in looking at this problem, they would have to examine the consequences of having the Speaker find that a Minister of Finance, or indeed any

other Minister, was responsible for acts of theft against the officials or the officers who were under the responsibility of that Minister. If such a finding were to be made, it would certainly invite anyone who was interested in setting off course any Budget at any time in the future by that type of frivolous action. That interpretation of that principle simply is not an interpretation that can apply.

• (1620)

The other point to which I want to turn some attention has to do with the question as to the response of the House, particularly of the Opposition Parties to the request that the House of Commons be allowed to meet once this extraordinary situation had arisen to allow the Budget to be introduced so we could avoid or limit any of the kinds of concerns that may have arisen as a result of the theft of the document.

There has been some concern expressed about when the Government knew the detail of information that was entering into the public domain. It is important we make that quite clear. The House rose yesterday at six o'clock. My colleague, the House Leader, sought to have an extension of hours for reasons that were explained—

Ms. Copps: On Bill C-9.

Mr. Clark (Yellowhead): —during the Question Period this afternoon.

Ms. Copps: That is a lie. It is a cover-up.

Mr. Clark (Yellowhead): What was known before the House rose was that a reporter for Global Television was alleging, without himself believing he had enough proof, that a leak had occurred. There were two broadcasts, Mr. Speaker, by Global. Those two broadcasts related to different levels of detail which were in the hands of Global TV and its reporters. There were also two attempts by this Government to have the House of Commons deal with that issue. Those two attempts were made at times when there were different levels of detail available to Members of the Government—

Ms. Copps: Mr. Speaker, I rise on a point of order. I believe the subject was discussed in some great detail. The House of Commons was asked to continue sitting to discuss Bill C-9. I am sure the Member would not want inadvertently to mislead the House.

Mr. Deputy Speaker: Debate. The right of Hon. Secretary of State for External Affairs (Mr. Clark).

Ms. Copps: He is lying.

Mr. Clark (Yellowhead): Mr. Speaker, the Hon. Member may have been busy talking at the time and was not listening to answers from this side of the House, but the House Leader in response to that very suggestion made the point that when he moved the motion yesterday at about 5.45 p.m. he used the only language that was open to him under the rules of the House of Commons.

Mr. Marchi: Nonsense.

Mr. Clark (Yellowhead): In any event, there were two broadcasts by Global reflecting two levels of detail available to Global. There were two attempts by the Government of Canada to provide the opportunity for Parliament to deal with the eventuality of Budget information.

Ms. Copps: Government by Global.

Mr. Clark (Yellowhead): Those two attempts by the Government of Canada also reflected different levels of detail that were available at the time.

It is worth reading into the record of the House of Commons, because of the importance of this matter, the text of the news report that appeared on Global—

Mr. Lapierre: Which one?

Mr. Clark (Yellowhead): The first news report when there was a relatively light level of detail available.

Ms. Copps: Why didn't you wait for Canada A.M.?

Mr. Clark (Yellowhead): Let me quote:

> On the basis of only one anonymous phone call, though Richard, we're not going to report the detail that we've got in it. We, of course, immediately checked this with the Finance Minister's office. We were told of course that there's lots of speculation at this time of year, particularly the day before a budget. He repeated that, the Finance Minister's chief spokesman, said that he wasn't going to comment any further on that, and he hoped that we would proceed very cautiously on the basis of what we had.

That was the record of what was in the public domain prior to the rising of this House yesterday. There was a suggestion that Global should proceed cautiously. Global proceeded cautiously, as it would be appropriate for them to do.

Ms. Copps: The Minister didn't recognize his own Budget.

Mr. Clark (Yellowhead): The first information available to the House Leader was the information referred to by Global Television in the excerpt that I have just read. It was not enough for us to suggest to the House of

Commons that there had, in fact, been the kind of publication of details that later became clear. We did not know that. We knew that there was a possibility and that possibility meant that it was prudent for us to ask for the House of Commons to stay in a position where it would be possible for Parliament to receive a Budget early if that were necessary.

Ms. Copps: Come on.

Mr. Clark (Yellowhead): That was the simple act of prudence taken at that time.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Just as it would have been irresponsible for Global Television to have suggested more in their broadcast than they knew, so would it have been irresponsible for this Government to have suggested that there was a substantial publication of Budget information—

Mr. Marchi: What is wrong with honesty?

Mr. Clark (Yellowhead): —before we knew that there had, in fact, been that kind of substantial publication of Government information.

It was prudence that led the House Leader to seek agreement to have the House continue in case there was something more serious. It is simply false to argue that the Government knew of the nature of this theft before the House rose yesterday.

In any event, Opposition Parties denied the House of Commons the opportunity to extend its hours. When the document was seen on television around 7 p.m., it became clear that we were dealing with something more than a reporter's speculation because the journalist in question, Mr. Small, held up for the first time a document—

Mr. Lapierre: Did Wilson need that to recognize his own Budget?

Mr. Clark (Yellowhead): —which was clearly a document that bore the logo of the Budget and added the extreme likelihood that there had, in fact, been the entry into the public domain of a budgetary document.

A budget document had evidently been stolen. There it was.

Ms. Copps: How do you know it was stolen?

Mr. Clark (Yellowhead): It had not been released by the Government. It had not become available through the work of a Minister or anyone else.

Ms. Copps: Do you know who stole it?

Mr. Clark (Yellowhead): But it was there in the public domain on television. It was quoted. That raised the possibility that somebody might take advantage of that information.

I think this is an important part of the debate, Mr. Speaker, because there has been some suggestion here in the House, I take it a serious suggestion, intently felt, that there was a possibility of abuse since this information was available in the public domain before it had been tabled in the normal way. We were concerned about that. It was precisely that concern that there may be some kind of abuse that caused us to act as quickly as we could to regularize the situation, and we did two things. First, we immediately launched an investigation so we would find out what it was that occurred. As my colleague the Solicitor General (Mr. Blais) said earlier in question period today, not only was there an RCMP investigation but also precautions have been taken with various security commissions across the country, and that activity is proceeding.

In addition, we knew there was a danger that would grow if there was information available over Global Television that had not been formally presented to Parliament. What we wanted to do was close that gap. We wanted to recognize that a theft had occurred, that a document was in the public domain, that something had to be done to ensure that we limited the range of abuse. What did we do?

Mr. Kaplan: You should have scrapped the Budget.

Mr. Clark (Yellowhead): The House was not sitting. We needed some way in which to put this document, this Budget, in the possession of the House of Commons. It was urgent to act quickly for two reasons. First, to prevent abuses. Second, to respect the rights of Parliament.

Mr. Lapierre: It was urgent at five o'clock.

Mr. Clark (Yellowhead): The question was how could the House of Commons meet quickly?

Mr. Lapierre: You call the Speaker.

Mr. Clark (Yellowhead): The Opposition Parties in a quite extraordinary abandonment of their responsibility today has suggested that that question of referring the matter to the House of Commons was the sole responsibility of yourself, sir. It was the sole responsibility of the Speaker.

Mr. Lapierre: Of the Government.

Mr. Clark (Yellowhead): The Opposition has suggested that reference could be made to Rule 28. The Opposition knows that Rule 28 would not have applied in that circumstance because it applies to a recess and not to adjournment.

Mr. Marchi: Says who?

Mr. Clark (Yellowhead): They also knew that it would take fully 24 hours for the requisite notice to be given. What the Opposition Parties are arguing today when they try to blame their delay on Mr. Speaker is that we should have delayed for another 24 hours the process of making regular a Budget presentation that had been interrupted and set off course by an act of theft. That, Mr. Speaker, is simply unacceptable to us.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We have had some most disingenuous suggestions from the Opposition that there would not be a need to consult with Opposition Parties in order to get agreement in this House. But, Sir, we have been here long enough to know how the House of Commons works.

• (1630)

We have been here long enough to know that if an Opposition wants to raise questions of principle, to raise points of order at 11 o'clock in the morning, it can keep the debate going until 4.30 in the afternoon. We know that can be done. We know that is possible. We also know that the way one gets agreement in this system is to speak to Party leaders. That is what the Government did last night when we were faced with a situation when we had to make regular the situation where part of the Budget had been published. It was in everybody's interest, including in Parliament's interest, that we make that regular by getting the whole document before the House of Commons. We had to find a way to do that.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It was clear that we needed the co-operation of the opposition Parties. It is clear that that co-operation was necessary. My colleague, the Minister of Justice and Government House Leader, phoned the Right Hon. Leader of the Opposition and the Hon. Member for Oshawa and asked for their co-operation. They quite properly asked for a little time to consider. Then they came back and said that they were not going to co-operate with the attempt of the Government to bring Parliament's Budget into Parliament. That was the position that was taken by the two opposition Parties.

We sought that agreement. The opposition Parties denied the co-operation that was the only basis upon which the House could have met last night to receive the Budget, the only practical basis on which this House could have met, but the Liberal Party and the New Democratic Party denied Parliament the opportunity to receive the Budget. That was not the Speaker's fault. That was a deliberate decision of the two opposition Parties.

Denied the co-operation of the opposition Parties, the Government followed the only course that was open to have the Budget received by Parliament and to have the Budget published officially for Canadians. Copies were sent to officers of the House of Commons. That was the first thing we did.

My colleague for Glengarry—Prescott—Russell suggested that documents were made available to the press before they were made available to Parliament. That is dead wrong. We were careful to ensure that the *Budget Papers* had been delivered to the Clerk of the House of Commons for distribution by the Clerk in the normal way to Members of Parliament before the Minister of Finance went to a press conference to meet the press. Copies were sent to officers of Parliament and a press conference was held.

Results of that theft of the document were very harmful to Canada. They have been very harmful to the country. This is interesting, if Members are interested, because we looked at international markets and there was some concern. There was a drop in the value of the dollar when it appeared that there was political turmoil in the country. That trend reversed. I would like to know if my hon. colleagues will continue to laugh. That trend reversed when the process was made regular and when we were able to present, by the only way open to us, that Budget to the Parliament of Canada.

An Hon. Member: You do not know the difference between a leak and a theft.

Mr. Clark (Yellowhead): Opposition spokesmen know, have claimed and made issue here today that there might have been abuse because of this lapse in time. It was precisely because we wanted to avoid that kind of abuse that we asked for the help of the Opposition. We asked not just in Parliament's interest, not just in the Government's interest, but in the interest of Canada, that the Parliament of Canada, that the opposition Parties in Canada would recognize that there had been an extraordinary situation developed and that there needed to be extraordinary action. We were prepared to go more than half way. The opposition Parties absolutely refused to co-operate. Instead of getting on with the business of the country, they now seek to detain the business of this

House of Commons with spurious calls for the resignation of the Minister of Finance.

An Hon. Member: Who started it?

Mr. Beatty: The Liberals say that it is a cover-up.

Mr. Clark (Yellowhead): My colleague, the Minister of National Health and Welfare—

An Hon. Member: What a hypocrite.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Right Hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): The Hon. Member was making a rather voluble point about an event that occurred in the House some time ago.

An Hon. Member: Thirteen years ago.

Mr. Clark (Yellowhead): Thirteen years ago. It was an event that was of great concern to many of us. It indicated in fact a time when there was the kind of disunion and tumult in this House that none of us wants to see again.

I did have a role to play in those events. The role that I had to play in those events was not to lead people in a charge upon the Chair. The role that I played in those events was to try to do everything I could to restrain Members who were outraged at the procedures at that time from storming the Chair. That is the record. Those are the facts.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): In any event we sought a means by which we could make regular a process—

An Hon. Member: You were not too successful.

Mr. Clark (Yellowhead): Like the Hon. Member I share with the Hon. Member the distinction of not always having been successful. I share with the Hon. Member the desire to try to encourage some order in this House and some fidelity to the record of the House. His colleague, I am sure in an error of youth, misremembered events of several years ago and I took the opportunity to set the record straight.

There are two final points that I would like to make. One is that we sought the co-operation of the House of Commons once this problem had arisen, to ensure that we could act in a way that would respect the economic interests of Canada and that would respect the traditions and the rights of the House of Commons of Canada. That co-operation was denied, but, Sir, I think that was irresponsible on behalf of the opposition Parties.

However, that is not the issue here. The issue here is whether the Minister of Finance acted appropriately in these extraordinary circumstances. The record is clear, the record is clear. Whether it is judged against all of the precedents of all of the Parliaments of our tradition, or whether it is judged against other events that have occurred in this House, the record is clear that the Minister of Finance in these extraordinary circumstances acted openly, acted decisively, and acted with his customary honour.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It would be absurd for him to resign because some thief stole the document. That would be absurd. Every precedent of Parliament says he should continue. That is important, but in addition to every precedent of Parliament saying that the Minister of Finance should continue, his conduct in that office as an extraordinary and outstanding servant of this country and this Government and in this House indicate that it is in the interest of this nation that he be allowed to continue and that we get on with the business of Canada and stop this kind of partisan diversion.

Some Hon. Members: Hear, hear!

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, this is the second occasion I have had to rise in this House on a question of privilege in the course of this session.

An Hon. Member: What happened to the first one?

Mr. Milliken: We will soon find out. The Speaker has not ruled on the present one, but frankly I am dismayed that both of the occasions have involved the principal business of the House of Commons, namely, financial matters.

The first question raised on April 6, as Your Honour will recall, dealt with the question of the Business of Supply. Today we are dealing with the second item of business under financial matters, Ways and Means. What the Government has done is effectively damage the rights of the Members of this House to deal with both these cardinal issues that under the Constitution are the most important single items with which this House is called upon to deal.

I will read again to a citation from Bourinot's Second Edition as I did on April 6, 1989, as reported at page 175 of *Hansard*. Obviously the impact of it did not sink into the hon. gentlemen who sit on the treasury benches opposite. It states:

> The principal purpose of the House of Commons, in fact, is the consideration and criticism of the Estimates and the taxes required to meet the public expenditures; and the committees in question are the parliamentary machinery by means of which the House chiefly exercises its political and constitutional functions.

We are here today because the Government ran into a problem yesterday. I suggest to the Government that it is of its own making. It is one that it had to deal with. By failing to deal with it, it has effectively limited the opportunity for Members in the House to receive the Budget in an orderly way and to deal with it in an orderly way.

• (1640)

Notwithstanding what we have just heard from the Right Hon. Secretary of State for External Affairs (Mr. Clark), I say that the position the Government found itself in last night was clearly one of panic. I was here at 5.55 p.m. last evening when the Hon. Government House Leader, the Minister of Justice (Mr. Lewis), came into the House. He was clearly exercised. He was ashen. He was running back and forth. He sat down on the other side of the House and he was clearly upset. I said: "What's the matter?" He did not hear me, or if he did he ignored it. He tried his motion and it failed.

We have had a version of events from the Right Hon. Secretary of State for External Affairs that needs to be corrected. I would like to set the record straight.

Mr. Friesen: And this guy knows.

Mr. Milliken: Last evening I was here and I observed these facts. Perhaps the Hon. Member was not.

At 5.55 p.m. the Minister of Justice came into this House and he asked that the sitting of the House be continued for the purpose of considering Bill C-9, which was then under discussion.

Why did he not come over to the Opposition House Leader and say: "We have a problem. There may be a problem"? He admitted in Question Period today that he thought that there might be a problem, that there was a possibility of a probability of a chance of a leak. It was a flood. The Minister might well have known that.

The Minister of Finance (Mr. Wilson) phoned him because he was so concerned. He obviously thought that what he was hearing from the reporter was his own budget speech. He called the Government House Leader and said: "Do something, we are in trouble here. We are in a pickle". He came running into the House. He left his committee meeting and came over here to try to get us to sit late. He now blames us as members of the Opposition who are here doing our job.

There were more than 15 of us here. We stopped that motion last night. He now blames us for stopping consideration of Bill C-9 because, he says: "Really what I wanted to do was read the Budget. Consider Bill C-9 until I am ready to read the Budget and then I will come in to read the Budget". That is what he was really trying to do.

He was on Canada AM this morning. Some Hon. Members may have seen him. You may have seen him too, Mr. Speaker. There he was waxing eloquent, talking about British parliamentary tradition as though it were the most wonderful thing in this great spirit of co-operation he was talking about and how always under British parliamentary practice there was tremendous co-operation between government and opposition. Where was it last night? Why did he not come over here, come clean and say: "There may have been a leak. We may need your help"? He did not do that.

Some Hon. Members: Hear, hear!

Mr. Milliken: Then, having had the House adjourn at 6 p.m., he did not use Standing Order 28(3). I want to read it because obviously the Secretary of State for External Affairs has a strange comprehension of common English. He has failed to grasp the essentials of this rule. He said that it only applied during a recess. Nonsense. He said that it could only work if there were 24 hours' notice. Nonsense. Read the rule, I say to the right hon. gentleman. I will read it for him.

Mr. Clark (Yellowhead): Read the whole rule.

Mr. Milliken: I will read it slowly. It states: "Whenever the House stands adjourned." It does not say recessed but adjourned. "If the Speaker is satisfied, after consultation with the Government", not with the Opposition but with the Government. We are not supposed to be involved in that consultation. The responsibility rests four-square on that side of the House. Their job is to go to the Speaker and ask. They did not even do it.

Some Hon. Members: Hear, hear!

Mr. Milliken: That is the rule. It states further: "after consultation with the Government, that the public interest requires that the House should meet at an earlier time". It does not state on 24 hours' notice. It continues: "the Speaker may give notice", and it does not say notice of 24 hours". It continues: "that being so satisfied the House shall meet, and thereupon the House shall meet to transact its business as if it had been duly adjourned to that time".

Those are the relevant parts of the rule. It is crystal clear.

Mr. McKnight: Read it all.

Mr. Milliken: I do not know what more we need to read, but I will read the rest of it. It states: "In the event of the Speaker being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees, or the Assistant Deputy Chairman of Committees shall act in the Speaker's stead for the purposes of this section."

I hope I did not read that too fast. However, I do not think that is relevant to the issue that is here. There is no suggestion that Mr. Speaker was not available last night.

I suggest to Hon. Members opposite that they failed to take a look in the rule book. They phoned the Leader of the Opposition. They phoned the Leader of the New Democratic Party. When they found that they could not get their consent, they said: "Well, we will just go to the airwaves and make it public in Canada. So what if some Canadians have gone to bed expecting that they will be able to manage their affairs tomorrow morning on the basis of a Budget to be introduced the following evening at 5 p.m., so what about them". They really did not care. Everything went on last night at 10 p.m. The Minister of Finance came in and made a statement last night.

I suggest that the Government knew when it received the information about the leak that it had a problem. In spite of all the protests that we heard today, it knew that the responsibility of the Minister of Finance was to resign at once. The Government knew that its obligation was to withdraw that Budget, to appoint a new Minister of Finance and to set a new date to bring in a proper Budget.

Some Hon. Members: Hear, hear!

Mr. Milliken: That is what the precedents indicate. For the edification of Hon. Members opposite I would like to take a look at a few of those precedents. They have referred to a few of them from time to time here today. Hon. Members will recall in 1963 the outrage expressed by some Hon. Members opposite on the occasion of Mr. Gordon's Budget. As Hon. Members will recall he had hired some outside consultants to assist in the preparation of the Budget.

Mr. Clark (Yellowhead): He had hired them. He, the Minister.

Mr. Milliken: There was never any suggestion of any leaks except from some members of the Opposition. The Hon. George Nowlan who was the chief opposition critic at the time gave a speech on June 19, 1963. I recall he waxed eloquent on the subject of the sins of the Minister of Finance, Mr. Gordon. He went on and on for pages and pages, saying how dreadful it was that these people had been brought in on the budget process. At the end of his speech he moved a motion of non-confidence in the Government. If we ever do get a Budget here, we will undoubtedly be doing the same thing.

The motion reads in part:

> This House regrets that the Minister of Finance by failing to maintain the constitutional practice of the essential secrecy of the budget has seriously weakened public confidence;

Those were the words that Mr. Nowlan intoned in his motion. It was supported and seconded by Mr. Diefenbaker. That concept of budget secrecy and its essential importance for our Constitution was unquestioned by Mr. Nowlan. He was a predecessor of my hon. friends opposite. Indeed, his son sits on the opposite side of the House to this day.

There are other quotations. I do not want to put the Minister of Justice in the embarrassing position of reading his earlier quotations.

Mr. Lewis: Go ahead.

Mr. Milliken: I noticed him this morning squirming and saying that he was making an argument that he did not deserve to win. I agree with him. He did not deserve to win it, but not for the same reasons he thinks. The difference was that the Hon. Marc Lalonde had not done anything like this Minister has done. When his Budget was introduced—

Mr. Crosbie: He leaked his own Budget.

Mr. Milliken: —it was not the same as the document that had been filmed. His document had been changed. As Mr. Trudeau said so carefully at the time: "It is not a Budget until it gets into the House". That is why we say we do not have a Budget today. There was not one then until Mr. Lalonde tabled it in this House. When he did, it was not the same document that had been filmed.

In spite of that distinction, which I submit is a very significant one, I would like to read a question that was asked on April 19, 1983 by the Hon. Sinclair Stevens, a gentleman well known for his knowledge of resignations and the requirement for resignations from Cabinets. He asked the following question:

> Madam Speaker, in view of the story with which we are well acquainted, for example, *The Citizen* indicating that a budget leak occurred yesterday evening, in which a deficit of $31.2 billion is anticipated for the forthcoming year, and in view of the fact that this is an example of gross negligence on the part of a Minister, a breach of a Minister's oath of secrecy, something totally unacceptable in our parliamentary system, would the Prime Minister indicate whether he has received the resignation of the Minister of Finance and, if so, whether he has accepted it?

That was the question that was posed. No one challenged the fact that if there had been a gross breach of budget secrecy the Minister should resign. Yet this Government denies that principle. It denies that principle in relation to the taxes that it seeks to impose upon the people. It denies the principle in relation to the expenses that it is trying to claim from this House by having them passed by Governor General's warrants.

• (1650)

I would like to read another quotation of the Acting Leader of the Opposition on the same day in 1983, the Hon. Erik Nielsen, a man of fond memory to Hon. Members opposite.

An Hon. Member: He is looking after VIA.

Mr. Milliken: He is looking after VIA now, the carving up operation. He said:

> No doubt they will try to brazen this out by bringing in changes, altering a decimal point or altering a few pertinent phrases in that Budget. Does the Prime Minister really believe that he can get away with that and that that will cure this gross breach of the normal secrecy that surrounds budgets?

Note the words: Normal secrecy.

An Hon. Member: Did he change it?

Mr. Milliken: Of course he did, and he was right, he could. Does he not agree that he should ask for the resignation of the Minister of Finance who, if he were self-respecting at all, would have submitted that resignation after he discovered his error yesterday? What would Mr. Nielsen say to the present Minister of Finance in these circumstances? Aye, there is a former Minister of Finance sitting across the way, the Hon. Member for St. John's West (Mr. Crosbie). He knows what it is like to be a Minister of Finance. He did not have leaks like this, and neither did the Leader of the Opposition when he was the Minister of Finance.

I want to turn to the Hon. Deputy Prime Minister. He gave us a lot of pious nonsense in the House this morning, suggesting that the House could only be called with unanimous consent. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has put paid to that argument in my submission. It is quite obvious that unanimous consent is not going to assist in the circumstances because as the Hon. Member for Glengarry—Prescott—Russell indicated, it could only be obtained by having the House sitting and every Member here and agreeing.

Members of this House are elected to serve their constituents. They are elected to represent their constituents in Parliament. One of the ways they represent their constituents is by dealing with the financial plans of this Government, of any Government. Indeed, the House is charged with the responsibility for dealing with those financial plans in two aspects: on the expenditure side and on the revenue side as I have indicated.

What the Government is doing by its failure to deal with this Budget in a proper way, in having the Minister resign and setting a new date, in failing to bring its Estimates before the House in a timely way—they are still not here—and in producing its records for inspection by this House and allowing this House to deal with the questions of Supply and of Ways and Means in a proper and orderly way, is depriving us of our right to do our duty to represent our people, to represent our constituents in Parliament.

With great respect, we have heard today several members of the Opposition stand and seek to represent the rights of their constituents by asserting the ancient privileges of this House. It is fine to talk about parliamentary privilege. Maybe it means nothing to a lot of people in Canada who hear the expression and think that it is not important. It is important because those privileges are in fact the representation of the privileges of the people. It is those people that all 295 of us are here to represent.

I recognize, and I think all Hon. Members recognize it, that the persons who occupy positions in Cabinet have an additional or slightly different responsibility. I can understand. Members of Cabinet, when they are caught with their pants down as they were last night, lost the biggest thing they could have lost, namely, the Budget. It went out the window, disappeared on the streets and was published in the newspaper. I can understand their embarrassment, their unease and their desire to get that clammed up and to shore up their position. They ran to the media and got the thing public, even though it had been public for many hours already, in an effort to diffuse the criticism to which they knew they would be subjected.

I can understand that. What I cannot understand is why we have not heard from any of the Members who sit behind government Members on that side of the House. I would have thought the Hon. Member for Macleod (Mr. Hughes), who is a vociferous defender of the rights of the individual, or the Hon. Member for Winnipeg South (Mrs. Dobbie), or the Hon. Member for St. John's East (Mr. Reid), although he is not here at the moment, or even the Hon. Member for Calgary Northeast (Mr. Kindy), might have been up on their feet defending the ancient rights of their constituents who are represented by them in this House. They are to deal with the financial affairs of this country in an orderly way, not on the airwaves, not in press releases, not by handing the stuff around at midnight.

Mr. McDermid: Why would you not agree to us sitting last night?

Mr. Milliken: Because I have been through that. If the Hon. Member had been here, he would know the answer to that question. I have just given the answer. I think those Members should get on their feet and stand up for the rights of their constituents. The rights of this Parliament are being steamrolled by the procedure being adopted by the Government opposite on this issue and on every other financial issue that it has had to deal with in this Parliament.

Considering your ruling on this point, Sir, I invite you—

Mr. McDermid: Nobody is listening to you.

Mr. Milliken: You obviously are.

Some Hon. Members: Hear, heard!

Mr. Milliken: I suggest the Hon. Minister keep doing so. It is doing some good.

As I was saying, in considering your ruling on this very important question of privilege, Mr. Speaker, I invite you to have regard to the rights not just of us as Members, which is of course your principal duty, but to bear in mind the rights of the people whom we as Members of Parliament are charged with representing in this House and the rights of Canadians to avoid taxation without representation and to avoid being taxed without that tax having been approved in this House by their duly elected representatives.

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, after listening to the Hon. Member,

An Hon. Member: That is two of you.

Mr. Andre: I can see that his potential clients should be grateful that he is back here.

I wonder about the question of duties and responsibilities and wonder if the Hon. Member and his colleagues ever considered what might be the national interest in all this.

There is no Standing Order to deal with the theft of a budget document. What is required when something like that happens is for there to be co-operation between members on both sides of the aisle, in recognition that hopefully we both have the national interest in mind.

What the Government House Leader attempted to do yesterday was to achieve the co-operation of the Opposition in presenting to the public the budget documents as quickly as possible, given the theft that occurred. The opposition Parties said "No, no". The national interest which might have been served in that way was not something that they were interested in pursuing but rather it is potential partisan advantage. I think the last laugh may in fact end up on our side. Quite frankly if Hon. Members opposite have been talking to their constituents today, they will see that Canadians in overwhelming majority are backing the Minister of Finance.

Some Hon. Members: Hear, hear!

• (1700)

Mr. Speaker: I want to advise all Hon. Members that, as I am bound to do by the Special Order, I intend to read the beginning of the motion. However, I want to say that I am anticipating points of order. I ask the co-operation of the House to allow me to do what I am directed to do under the Special Order. I will stop short of recognizing the Minister and then I will hear points of order.

It being five o'clock p.m., pursuant to order made Wednesday, April 19, 1989, the House will proceed to Ways and Means Proceeding No. 1.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Michael Wilson (minister of Finance) moved:

That this House approves in general the budgetary policy of the Government.

Mr. Gauthier: Mr. Speake, I rise on a point of order. The process has been soiled. The House has been betrayed.

The motion you just read received unanimous consent on April 19, 1989, and the Official Opposition would like at this time to make certain comments regarding that unanimous consent.

Our understanding was that we were to deal with a Budget speech prepared and presented in the traditional way, including all the traditional security measures that were taken for granted by all of us here for several years.

[*Translation*]

Mr. Speaker, we had every confidence in the budgetary process. We had every confidence in the Minister of Finances' integrity. We had every confidence in the Government's honesty towards the House of Commons, in the Justice Minister's honesty. Our trust was betrayed.

[*English*]

We were deceived. Our trust was betrayed. The Minister of Finance (Mr. Wilson) has been extremely negligent. He did not take appropriate measures to protect the integrity of the budgetary process.

Last night, the Government House Leader was not straight, honest and above board with this House.

Some Hon. Members: Oh, oh!

Mr. Gauthier: He made no attempt to talk to other Party Leaders in the House so as to share with them his concerns about the extremely important situation the Government was in. He did not preserve the integrity of the budgetary process. He did not uphold the integrity of his ministry. He was deceitful and less than honest when he attempted to tar the Opposition Parties—

Mr. Andre: Order!

Some Hon. Members: Come on!

Mr. Speaker: I am sure the Hon. Member can express his concerns in more appropriate language and I would ask him to do so.

Mr. Gauthier: In consequence, the Official Opposition withdraws its unanimous support for this motion adopted April 19, 1989 and says so openly. We disagree with the Government.

Mr. Riis: Mr. Speaker, I rise on a point of order. Some days ago you asked if there would be unanimous consent for a Special Order that would permit the Minister of Finance (Mr. Wilson) to read his Budget for the first time so that all the people of Canada would have an opportunity to hear the Budget statement in the House of Commons. We gave our unanimous consent. We felt that was the time-honoured tradition of the House, and have always done it that way. We were quite prepased to give unanimous consent to have it $one in 1989.

However, some things have happened since that came before the House. I do not have to remind ur ce'essarily th!t at seven o'Clock ,ast night the Prime Minister (Gr. Mulroney) haD a0 decision to make. He had been informed that there was a leak. He was aware of the details that someone had possessed in terms of the Budget.

He could have made two decisions. He had a choice. One would have been to recognize that a massive blunder had occurred and that he ought to call for the resignation of the Minister of Finance and start the process over again properly and have a Budget later. However, he decided to push ahead. In spite of the fact that there were a number of people in the country who had leaked information, who had privileged information—

Mr. Dick: Do you know who?

Mr. Riis: We were aware at that time that at least one of the networks was going to go public with it and that there was at least two people in the country who had detailed information, perhaps many, many more. Knowing that, the Prime Minister decided to surge ahead and try to ram this Budget through.

We are at a difficult point. For the entire day we have been arguing the question before the House whether the budgetary process is consistent with the traditions and long-standing practices of the House. That is what we have been arguing all day. We have been hearing from Members on both sides whether this process is acceptable.

Mr. Speaker, you are asking us now, before that debate is concluded, before any decision of the House has been taken, to proceed to a special motion before us which anticipates a decision by this House that would say that what the Government is doing is acceptable. We have not come to that conclusion.

The arguments are being put forward, as of 10 minutes ago, yet you are asking us to make a decision now. I suspect you are in a position to have to make a decision whether or not this anticipation of a decision is appropriate.

New Democrats have held that the Minister of Finance ought to have resigned, that the Budget, as it was presented in the press conference last night, ought to have been cancelled and a proper one introduced at an appropriate time. For that reason, on behalf of my Party, I have no other choice but to withdraw our support for proceeding with this special motion at this time.

Mr. Lewis: Mr. Speaker, my friends opposite make the point that at the time unanimous consent was given they expected that the Budget events would unfold in the normal way. We all did. There is no question about that.

The motion states that for the purpose of the Budget statement of the Minister of Finance certain things shall take place. A Budget document was made public in another forum. National television, it is true.

I guess the question is whether Members of Parliament or the House of Commons are going to be held hostage to the actions of a thief.

Mr. Turner (Vancouver Quadra): Oh, come on!

Mr. Lewis: That is the question.

Mr. Turner (Vancouver Quadra): That is not the question at all.

Mr. Lewis: The House came to a decision as to an appropriate order of events for today. The House took that decision. That is our position.

We feel that the decision of the House last Wednesday was a valid decision and should go forward and should stand.

I want to make reference to my hon. friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who I have known for some time and respect. I think there are comments made from time to time in the heat of this place. I know I have made them myself. I regret those comments. I have had a lot of things said about me, but I do not think my honour has been questioned. I will say to you that I take them in the heat of battle and I will not remember them tomorrow because I know my friend to be an honourable person. I know he fights hard and well for his Party and I think they were made in the heat of the battle.

Last night at 5.45 my duty as the Government House Leader was to preserve our options if in fact there was an authenticated, substantiated, corroborated Budget leak. I say to you that the gentleman, Mr. Small, who brought this Budget leak to the attention of the Canadian public, did not authenticate it, did not substantiate it until he had it in his hand at seven o'clock. So at quarter to six I took the action I could. I suggest to you that the only option was to move under Standing Order 26(1) to preserve our options. Therefore I moved it. I say to you Mr. Speaker, with all due respect, that I believe the House Order duly voted upon, unanimous consent by the House, stands and is valid, and I suggest that after you have had an opportunity to consider the matter you might wish to reserve. We are in your hands.

• (1710)

The Hon. Minister of Finance should proceed in the event that your ruling is favourable.

Mr. Speaker: I do not need to remind Hon. Members that we are having an unusual day.

I have listened with considerable care to the Hon. Member from Ottawa—Vanier, the Hon. Member for Kamloops and the Minister.

The position that both the Official Opposition and the New Democratic Party is taking in this argument is that because of changed circumstances the Order, despite the fact that it was obtained by consent, ought to no longer bind the House. I think that is the point.

SITTING SUSPENDED

Mr. Speaker: I am going to ask the co-operation of the House to stand down for a short while as I consider this unusual circumstance.

The sitting of the House was suspended at 5.11 p.m.

SITTING RESUMED

The House resumed at 5.34 p.m.

PRIVILEGE

LEAK OF BUDGET DOCUMENT—SPEAKER'S RULING

Mr. Speaker: On April 19, 1989, an Order was made by this House. It was a unanimous order as a consequence of discussions as so often happens here between Leaders of all three Parties. That Order—I am citing this so that Hon. Members and the public will clearly understand what is taking place—related to the presentation of a Budget. The agreement entered into prior to the Order being presented to the House and the unanimous consent that was given to the Order when it was presented to the House were clearly based on the expectation that the Minister of Finance would rise today and present his Budget. I read the Order:

> That, notwithstanding any Standing or Special Order of this House, at 5.00 o'clock p.m. on Thursday, April 27, 1989, the Speaker shall interrupt any proceedings then before the House and proceed forthwith to the consideration of Ways and Means Proceedings No. 1, for the purpose of hearing the Budget statement of the Minister of Finance;
>
> That, immediately following such budget statement, the House shall revert to the Routine Proceedings "Introduction of Government Bills" and, following introduction and first reading of a bill or bills, the Speaker shall recognize a member of the Official Opposition in debate on Ways and Means Proceedings No. 1; and

That would mean in the usual course a representative of the Official Opposition would speak and, if that took place, would have unlimited time. It continues:

> That the House shall not adjourn until the adjournment of the debate on Ways and Means Proceedings No. 1, following which the Speaker shall adjourn the House until the next sitting day.

And by unanimous consent it was ordered:

> That, on Friday, April 28, 1989, the House shall meet at 11 o'clock a.m. with Statements by Members pursuant to Standing Order 31 at that time, Oral Questions at 11.15 o'clock a.m., until 12 o'clock noon, followed by the Daily Routine of Business;
>
> That, immediately upon the completion of the Daily Routine of Business, the House shall proceed to Government Orders, Ways and Means Proceedings No. 1 (the Budget motion);
>
> That, during the debate on the Budget motion, on that day, there shall be one speaker for the Official Opposition followed by one speaker for the New Democratic Party and, that both speakers will be allowed whatever time is necessary to complete their speeches; and
>
> That, immediately upon completion of the speech by the New Democratic Party speaker, but in any event not later than 3.30 o'clock p.m., the Speaker shall adjourn the House until Monday, May 1, 1989, at 11 o'clock a.m.

That is the Order which was entered into by consent.

Several things have happened in the last 24 hours as Hon. Members and the public know and as a consequence the Government decided that the Minister of Finance had to proceed with the presentation of the Budget by way of a press conference yesterday evening rather than wait until today and present the Budget by way of the Special Order.

It is not for me to argue about these events except to record, as Hon. Members and the public are aware, that the Official Opposition and the New Democratic Party have argued this afternoon that it is not appropriate to proceed under this Order even though consent was given before because circumstances have changed.

Both the Official Opposition and the New Democratic Party have taken the unusual step of advising the House that under the circumstances they withdraw their consent. By that I take it to mean that they no longer feel that they ought to agree that the House should proceed under the provisions of the Special Order.

I am quick to point out that there are negotiations that take place here all the time and sometimes when agreement seems to have been reached, but prior to it having taken effect on the floor of the House, circumstances may change.

Sometimes what may have seemed to have been consent earlier is not followed through because of changed circumstances.

The difficulty the Speaker is in, in this present situation, is that while fully understanding the position of the Official Opposition and the New Democratic Party and fully understanding the reason for it, the fact of the matter is that we now have a House Order, which was passed by the House. I can see no way that I can unilaterally change that.

This House Order could be changed, of course, if the House wishes to direct me in that way, but I have not received such a direction. I am bound to follow it unless, of course, I am directed otherwise. As I say, the House has not done so.

• (1740)

There was another argument advanced, that is, that the Budget ought not to go ahead until the argument over privilege—because there are a number of privilege applications all being heard in one debate—is completed.

I am continuing to hear argument on what may or may not be a contempt of this House. I do not prejudge that. While the matter to be heard under this special House Order that I have described, and the questions of contempt and privilege are related questions, I have looked at them carefully and it is my view that they are not dependent one upon the other. Each stands alone as a unique proceeding.

The Speaker cannot foresee the future, that is, what the House may eventually do if there is a prima facie case of contempt or privilege. As I said, I intend to hear further argument on the privilege matter. It is not closed off this afternoon by any means.

However, while I do not know what may eventually happen on the privilege issue, I do know what the House has done with the special House Order. I must advise Hon. Members that I am bound by it. Therefore, it is my duty to recognize the Hon. Minister of Finance.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I expressed this morning my regret at not being able to deliver my Budget speech first to the House of Commons. Members on all sides have debated the circumstances surrounding this matter during the course of today.

Let me now make some summary comments about my Budget, a Budget which I view as most significant for Canadians.

It is important for Members of the House and all Canadians to understand the budgetary policy that has shaped the measures in the documents that I am tabling today.

[*Translation*]

It is also important to understand the major economic and social objectives which our policies will help achieve.

[*English*]

Our Budget is designed to deal with the over-arching national problem that stands between Canadians and a better future for ourselves and for our children: our large and growing public debt.

It is now more than $320 billion. The debt is more than 20 times larger than it was in the mid-1970s when it began to grow faster than the national economy. Interest payments on the debt will require more than one-third of all government revenues this year.

As a Government, we recognized the threat posed by the debt and its enormous momentum of growth when we came to office four and one-half years ago.

As part of a broad agenda of action to strengthen the foundations of Canada's economy, we acted to slow the growth of debt by reducing the annual deficit. We succeeded in reducing the growth of the debt from almost 24 per cent in 1984 to less than 10 per cent last year.

During the same period, the Canadian economy generated substantial growth. It created one and one-half million new jobs and expanded faster than most other industrial nations.

The paramount fiscal policy objective of this Government is to continue getting the public debt under control through deficit reduction, and to reinforce the policies that helped to achieve the record of fiscal and economic progress.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): There is now a new urgency to the challenge. In response to rising inflationary pressures in Canada and abroad, short-term interest rates have risen. They will be much higher this year than was widely expected by most commentators even a few months ago.

If we do not act now, we will face a growing danger of higher inflation and even higher interest rates. This could lead to a severe recession. At the same time, the projected cost of paying the interest on the debt has risen by more than $6 billion this year. This interest cost alone will be $39 billion. That is more than we spend in total on health care, family allowances, old age security and social assistance.

What is at stake here is nothing less than our capacity as a Government and as a nation to maintain the high standard of living and quality of life that Canadians expect.

[*Translation*]

If we want to protect and improve our standard of living and quality of life, we must adopt firm, balanced and coherent financial and monetary policies which will help us continue the process aimed at lowering inflation and interest rates and prevent them from going up again; we must adopt realistic and balanced policies which carefully strike a proper balance between short term dangers and long term objectives.

[*English*]

The decisive debt control actions in this Budget are essential to the achievement of the right policy balance now and in the years to come.

The budget measures that I am proposing, and which are set out in detail in the documents that I will be tabling, include a wide range of reductions in government spending and measures to increase revenues. In addition, fundamental economic strength and revenue stability will be enhanced through reform of the federal sales tax.

Major reductions in program spending have been achieved. When fully implemented, these will total about $2.5 billion a year. These measures build on the expenditure restraint actions undertaken since 1984. As a result, program spending has declined from 19.5 per cent of our national income just five years ago to 16 per cent this year. In 1993–94, it will fall further to just over 15 per cent. Mr. Speaker, that is the lowest level it will have been in a quarter century.

Our debt control actions, both expenditure reductions and revenue increases, will total more than $5 billion this year and $9 billion next year. This will offset most of the increase in interest costs this year and reduce the annual deficit to $30.5 billion. Next year, it will be reduced to $28 billion.

The debt-to-GDP ratio will stabilize next year. This means that the public debt will stop growing faster than the economy for the first time since the mid 1970s.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): By 1993–94, the deficit will be cut in half to $15 billion.

Some Hon. Members: Hear, hear!

• (1750)

[*Translation*]

Mr. Wilson (Etobicoke Centre): The decisive actions announced in the budget are essential to the achievement of a necessary balance between our budgetary and monetary policies to ease inflationary pressures, create a margin for interest rate reductions and maintain economic growth.

[*English*]

As the deficit continues to go down, the debt will shrink as a proportion of our national income. Interest costs will take less of every revenue dollar. This will restore the flexibility that we need to continue to maintain the programs that Canadians value, and to build a better future for our children and for our grandchildren.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): More important than any numbers that we can cite, we will have a Canada that is continuing on course for a rising standard of living and better quality of life to pass on to the next generation, a Canada that is building for the future, not borrowing from it. That is our responsibility as a Government. That is surely our goal as Canadians.

Four years ago we brought forward a plan to build a better future for Canada. We knew that to stay on that course would require a sustained national effort. Together we have made great progress. Our future success will depend on the will of the Government to continue making tough choices and on the understanding and commitment of Canadians to join in building a stronger Canada. That is what the policies in this Budget are all about.

Today, I am tabling all the budgetary documents, including notices of Ways and Means motions covering changes to the Income Tax Act, the Excise Act, the Excise Tax Act, the Customs Tariff and the Old Age Security Act. Details of these measures are included in the material that I am tabling. I ask that an order of the day be designated for the consideration of each of these Ways and Means motions.

In addition, pursuant to a motion of this House I will introduce today a Bill seeking the borrowing authority for the 1989-90 fiscal year.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Pursuant to the order adopted on Wednesday, April 19, 1989, the House will now revert to the item "Introduction of Government Bills".

ROUTINE PROCEEDINGS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

Hon. Michael Wilson (Minister of Finance) moved for leave to introduce Bill C-11, an Act to provide borrowing authority.

Mr. Speaker: Shall the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Budget that was made public some 24 hours ago demonstrates what many Canadians have known for years. It is that the Government of the Prime Minister (Mr. Mulroney) is at one and the same time unfair and indifferent to the real needs of Canadians, and incompetent in the management of the finances of our country.

That the Government hopes to deal with its deficit by slashing programs and raising taxes is now painfully clear. Much will be said in the next weeks about this Budget and its impact on the average Canadian family. We on this side of the House shall participate in that debate. We shall have a great deal to say about it.

In these next few minutes I want to say something about deficits, not the Government's deficit, not the many dollars that separate its spending from its income. I want to talk about the deficits that every Canadian understands, the deficits with which every Canadian can identify, the deficits that touch the lives of every Canadian in a very real way.

There are many deficits in this Budget, but they are very different from the deficit the Government talks about. There is a deficit of compassion, of assistance, of caring.

Ask a single mother in Brampton who relies on day care to enable her to work full time who believed the Prime Minister when he promised a comprehensive national day care plan. Where is that promise today? There is a deficit of caring.

Ask a woman in Vancouver whose husband was left for two nights in an emergency ward because no hospital bed was available. Ask the people who hoped that funding for our health care system would be increased, not mindlessly cut as it has been in this Budget.

There is in this Budget a deficit of assistance, assistance for Canadians in real need. Ask the young family in Bonavista who has to survive on unemployment assistance for seven months of the year, who now faces cuts not only in unemployment insurance but also in regional development grants which can offer them a way out of poverty. Now the Government is withdrawing from unemployment insurance.

Ask the teenager in Yorkton who hoped to receive financial assistance to attend university this autumn but who will now despair upon learning that this Budget reduces spending on post-secondary education.

There is also a deficit of fairness in this Budget. What is fair about expecting farmers to cope with high interest rates and at the same time to cope with the gutting of funding for vital agricultural programs?

For a middle-income Canadian family, this Budget will mean an additional $700 in taxes, for a total increase of almost $2,000 in taxes since the Government came to office. Every single community in Canada, every single family, will be hurt by the cuts in spending on medicare and education. Many will also be hurt by cuts in regional development. What is particularly deplorable is that the very communities least able to weather the Conservative reduction will suffer the greatest cuts.

Federal funding for our hospitals, for our colleges and universities is reduced by this Budget at a time when the need for more money is very obvious to all Canadians. Our health system, already under great strain, will suffer at a time when public confidence is already weakened. Colleges and universities, already plagued by years of declining funding, now face the almost impossible task of maintaining their standards of excellence. Their academic credibility, already under fire, is greatly undermined by this Budget. Worse, students and would-be students will find it increasingly difficult to obtain an education.

In every Budget in every year since this Government came to power in 1984, the Minister of Finance has denounced the deficit. We have heard him promise repeatedly to do something about it. In each of those years, the Government has failed utterly to do what it said it would do.

• (1800)

We learned from this Budget that the deficit is increasing for the second year in a row in spite of six consecutive years of high economic growth. Clearly, these people do not know what they are doing. This is a fudge-it Budget. The economic assumptions on which this Budget is based are simply not credible. Once again the Minister of Finance is fudging the books. There are no guarantees whatever that the deficit target of $31 billion will be reached. In fact, there is every reason to believe that the deficit will be higher than that.

The Minister of Finance's optimism is not widely shared. He forecasts that the economy will grow in the next year at a rate of 3 per cent, much higher than any other forecasts. Worse, he is predicting that the interest rates will average 12 per cent for the year, despite the fact that interest rates today are already more than 12.5 per cent.

Next year the Minister expects the economy to slow considerably, predicting growth to drop by almost one-half. No doubt this is to be expected as a result of this Government's prolonged mismanagement of the economy. The Government cannot at the same time reduce its spending, increase taxes, raise interest rates and hope that somehow the economy will continue to grow. Canadians are now to pay a heavy price for the Government's incompetence. Today's Budget—or should I say yesterday's Budget—makes it clear who will suffer. During the past four years taxes on individuals have grown faster than taxes on corporations. With today's Budget, Canadians will pay yet more taxes. During the past four years, taxes on low and middle-income Canadians were increased sharply while tax increases on the wealthy were far less.

Interest rates have risen to the point where small businesses have been put at risk, where many families fear that they will lose their homes or despair of ever owning one. Now we face cuts in spending and widespread change in our social programs that will leave many low-income Canadians worse off than ever.

The Minister of Finance is intoxicated with deficit reduction, but it is Canadians who will suffer the hangover. For four years this Government has continued to talk about its commitment to deficit reduction. Today Canadians have learned what they must pay for this commitment through higher taxes and cuts in government programs. But where is the deficit reduction? The deficit continues to grow even as Canadians pay for its reduction. Real deficit reduction, we are told, will come later, but the bill arrives today. Clearly, the Finance Minister has run out of time to get his act together.

Canada has been transformed, and now we must ask if we agree with the direction of this transformation. This Government is intentionally lessening the ties of Canadians to each other. What was once a compassionate and a confidently administered society is today run by a Government without a heart, without an understanding of what it is to be poor, and without the slightest understanding of how to manage our economy compassionately and competently. Canada, under the Conservative Government, as the figures released by the Minister of Finance himself show, has removed hope and

optimism from Canadians and left them with the prospect of recession.

I move, seconded by the Hon. Member for Winnipeg South Centre (Mr. Axworthy):

That the House now be adjourned.

Mr. Speaker: The Hon. Minister of Justice (Mr. Lewis).

Mr. Lewis: I believe the normal motion is that the debate be now adjourned. That is if the motion is acceptable, in order to continue the debate tomorrow if my hon. friend wishes to continue.

Mr. Axworthy (Winnipeg South Centre): Accepted.

Mr. Speaker: I thank the Hon. Minister. Mr. MacLaren, seconded by Mr. Axworthy, moves that the debate be now adjourned. Do Hon. Members adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Pursuant to Order made Wednesday, April 19, 1989, this House now stands adjourned until tomorrow at 11 o'clock a.m.

The House adjourned at 6.05 p.m.

HOUSE OF COMMONS

Friday, April 28, 1989

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

MUNICIPALITIES

PUBLIC SERVICE—EXTENT OF RESPONSIBILITIES

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, on April 20, the Supreme Court of Canada sentenced the City of Beauport, and more particularly the taxpayers of Vieux-Beauport, to pay $6.6 million to the owners of La Bastogne Restaurant and the Laurentides Motel, which burned in 1972.

This verdict from the highest court in the land affects nearly 10,000 taxpayers in my constituency, who will each have to pay from $400 to $1,200.

As Mayor Jacques Langlois said, this decision shows how urgent it is for the Government of Québec to determine more clearly and precisely what responsibilities municipalities have in performing the public services they owe the people.

In this regard, I call upon the Government of Québec, which is responsible for the municipalities, to get involved quickly, to cover part of the costs and, in the longer term, to legislate so that other municipalities will not have to go through such serious situations that weigh so heavily on their taxpayers.

* * *

[*English*]

EXTERNAL AID

REDUCTION IN FOREIGN ASSISTANCE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, cuts to Canada's international development assistance is another broken promise to the Canadian people. These cuts tarnish our international reputation. This Budget represents the third time in five years that Canada has shirked its international commitment to have ODA reach 7 per cent of the GNP. Before this most recent slash, Canada was surpassed by all the Nordic countries in percentage of aid to the GNP. Former UN ambassador, Stephen Lewis, said last night:

> Canada has abandoned the Third World in its darkest hour.

Last year Canada achieved a seat on the UN Security Council largely as a result of support from the developing world. This Government has repaid the respect of less developed nations by drastically reducing Canada's foreign assistance, forcing debtor countries into the hands of the IMF with its Draconian economic programs. This is a withering away of a national characteristic of caring. Canada is not seen to be acting out of self-interest in the international community. Foreign aid is not a frill. It is Canada's contribution to the promotion of international stability in an interdependent world.

Some Hon. Members: Hear, hear.

* * *

[*Translation*]

HOUSE OF COMMONS

PARLIAMENTARY TRADITION

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, all day yesterday in the House, we saw the Opposition Parties defending tradition, thus leading people to believe that Parliamentary tradition comes before the interests of the Canadian people. What a farce, Mr. Speaker!

Nevertheless, Mr. Speaker, those people did not hesitate to want to take away their opportunity to speak yesterday. That is the Liberal tradition! That is the New Democratic tradition! But much more than that, Mr. Speaker, following the Chair's decision to maintain unanimous consent for the budget speech and tabling of the Budget by the Minister of Finance (Mr. Wilson), they left the House, not accepting the consequences of the Chair's decision.

They thus failed their first duty, to represent their constituents in this House. That is the Liberal tradition! That is the New Democratic tradition!

S. O. 31

Mr. Speaker, tradition is first of all the people. The Opposition Parties in acting as they did lost the sense of the most important of traditions, namely serving the welfare of the Canadian people.

But come to think of it, Mr. Speaker, can you lose what you do not already have?

* * *

[*English*]

AGRICULTURE

TAX ON TOBACCO PRODUCTS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, during the election the Prime Minister (Mr. Mulroney) and the part-time Minister of Agriculture promised that they were going to do something to help the tobacco farmers in my region. In fact, the Minister of Agriculture said:

> Ottawa wants to send a strong signal to the industry that we're here to support the tobacco producers in their time of need and adjustment.

On at least three occasions I have stood in this House to remind this Government of its promises. I have asked for immediate implementation of the Redux Program and retroactive compensation for those who were forced out prior to the formulation of the present program. Not only has the Government delayed and ignored the problems of the tobacco industry, it is in this Budget trying to crucify them. It has proposed a tax increase of 52 per cent on cigarettes, the highest in history. In fact the $4 increase on a 200 gram tin of fine cut equals a 161 per cent increase, and the additional $1.30 in October equals a 212 per cent increase.

The Minister of Agriculture (Mr. Mazankowski) has also given notice to Canadian farmers that all current agriculture programs will be reviewed. We on this side will not stand for that. We will stand up for the farmers of this country.

* * *

• (1110)

THE BUDGET

LEAK OF DOCUMENT—REQUEST FOR PARLIAMENTARY INQUIRY

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, what the Government has tried to do in the last two days is not only offensive to the parliamentary traditions of this House, it is an offence to the personal privileges of every Canadian. Security has been breached and the public trust has been violated. What we have witnessed in the past two days is pure chicanery.

As the Government House Leader stated, this is not the time for political tactics or blatant displays of partisanship. The Government's handling of this issue undoubtedly will stand as one of the great travesties in parliamentary history.

Who knows the consequences of this leaked Budget? Who knows how many people had access to the information prior to its release, and for how long? The Government has set a very dangerous precedent for future Parliaments.

If the Government is to maintain and respect the integrity of this House, the Minister is at this time duty and honour bound to withdraw the Budget and set up a parliamentary inquiry to investigate. There is no other ethical alternative.

* * *

RELIGIOUS HOLIDAY

ORTHODOX EASTER

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise to bring to the attention of the House the fact that this is Easter Week for all Christian Orthodox churches. Today is Good Friday, which is being observed by millions of members of this religion world-wide.

I extend my best wishes, and I am sure those of other Hon. Members of the House, to all who are celebrating this occasion, which is one of the holiest days of the church calendar. Happy Easter to all!

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

SUPPORT FOR ANNOUNCED MEASURES

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, this year in Regina and other parts of Saskatchewan it is expected that because of another potential drought, a slow-down in our economy, and near record low housing starts, that things may not be all that rosy. A get-tough type Budget, therefore, would not appear to be publicly acceptable.

However, I want to read a fax that I received today from Ken Gamble of Olson Regal Commercial Real Estate in Regina: "I wish to advise that the general consensus regarding the Budget, in my opinion and those clients I am in touch with, is that the correct measures are being taken and that the Hon. Michael Wilson's leadership at the Finance Department is needed in this country at this time. Good luck and best wishes in the days ahead".

AGRICULTURE

IMPACT OF BUDGET CUTS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the Budget shows that Canadian agriculture is both locked into an agreement with the United States and burdened with a Conservative Government for another four years.

The Budget provides a dismal preview of the future: $100 million cut from the federal commitment to crop insurance; an end to branch line rehabilitation; an end to the interest-free component of cash advances; an end to commodity-based loans under the Farm Credit Corporation; elimination of the Dairy Special Export Program; termination of the At and East grain and flour rates; changes to the fuel tax rebate program.

In total there is more than $200 million in cuts to agriculture. Meanwhile, farm debt remains at $22 billion, farm asset values are falling, and borrowing money for seeding is very difficult with uncontrolled interest rates.

This Budget and the Government have been a disappointment to Canadian farmers.

* * *

[*Translation*]

THE BUDGET

ATTITUDE OF OPPOSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, when the two Opposition Leaders refused to co-operate and allow the House to be recalled so that the Budget could be brought down because there had been a leak, they acted in a way that is entirely unacceptable to Canadians. Messrs. Turner and Broadbent preferred to let their own interests take precedence over those of the nation. If these two Leaders had hoped to form a government in the near future, they would never have acted so irresponsibly. They are both stepping down or about to step down as leaders of their political parties, but I maintain that they showed they were incapable of acting with the intellectual maturity Canadians had a right to expect.

S. O. 31

And yesterday, Mr. Speaker, they left the House during the Budget speech. How childish can you get! Are we supposed to take these two parties seriously?

* * *

[*English*]

AGRICULTURE

CUTS IN FUNDING

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise under the provisions of Standing Order 31 to point out the massive Budget cuts in spending in agriculture, the most important sector of this nation. The Government has chosen to attack the most vulnerable people in our economy and is attempting to justify these cuts on the basis of lowering the deficit, a deficit that was not cut but increased. Many of these cuts are to conform to the Government's commitments to the Free Trade Agreement. A few years ago we heard about "Sinc the slasher". He has nothing on "Mike the miser".

The Speech from the Throne stated that agriculture was a drain on the nation's treasury and the Government has slashed agriculture spending by almost $400 million. It has slashed crop insurance by $200 million, grain and flour transportation expenditures by $60 million, rail branch line rehabilitation by $48 million, grain and crop advance payment programs by $54 million. The dairy farmers export program was slashed by $12 million, their Dairy Commission expenditure by $10 million and the much touted commodity based loan program of the Farm Credit Corporation was slashed by $10 million. This program was entirely wiped out.

As a result of ending the farm fuel rebate tax in December, the Government will be adding another $100 million to farm input costs in 1990, all of this at a time when farmers across Canada are already reeling from high interest costs.

This Budget has a very harsh impact on the agriculture industry in Canada.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BUDGET CUT-BACKS

Mr. Ian Waddell (Port Moody—Coquitlam): In the Throne Speech, the Government said that it would not cut cultural spending. Today, we see substantial cutbacks in funding for the Canadian Broadcasting Corporation. This is totally unacceptable.

[*English*]

That is a $140 million cut over four years for the CBC. The result is the end of regional programming and the Canadian content goals in television becoming impossible. This is the Tory agenda, the *de facto* privatization and commercialization of the CBC. It is the Americanization of Canadian culture.

I call upon the Canadian cultural community and all friends of the CBC to open up their windows and yell to the Minister of Culture (Mr. Masse): "We are fed up and we will not take these cuts anymore".

* * *

THE BUDGET

SUPPORT FOR MINISTER OF FINANCE

Mr. Ken Hughes (Macleod): Mr. Speaker, the people of my riding of Macleod tell me that the Minister of Finance (Mr. Wilson) is the best damn Finance Minister this country has ever had.

Some Hon. Members: Hear, hear!

Mr. Hughes: He has the guts and determination to deal with the biggest problem this country faces, that is, the legacy of the Leader of the Opposition (Mr. Turner), the deficit and the debt that this country carries.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

IMPACT ON SOCIAL BENEFITS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. I want to quote from an election speech the Prime Minister made on October 15 to senior citizens in Summerside, P.E.I. The Prime Minister will know where Summerside is. That is the community in P.E.I. that he is trying to destroy by shutting down the Canadian Forces Base.

This is what the Prime Minister told those senior citizens: "As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved, not diminished by our Government".

As long as he is Prime Minister of Canada. How does the Prime Minister reconcile those words to the people of Summerside with the cut-backs in social benefits, including old age pensions, family allowances, health, education, unemployment insurance, regional development? All of these were announced in the Budget. Is this not election fraud by the Prime Minister? Is it not just another reason why the Minister of Finance and this Budget ought to be thrown out?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend will see, when he gets through reading the Budget that he declined to listen to yesterday, that social spending, including social spending for senior citizens, is increased in 1989 over 1988 and will be increased in 1990 over the previous years. All social spending in Canada will go up and that is consistent with what I have said.

Mr. Turner: There is no credibility to that statement any more than there is to what he said during the election campaign.

[*Translation*]

ELECTION PROMISES – GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary is directed to the Minister of Finance. During the television debate in French, during the last election campaign, the Prime Minister of Canada said there was absolutely nothing to prevent the Government of Canada from maintaining all its social and regional economic expansion programs. Nothing at all. The Government was going to maintain all its social programs without fail, and there was nothing in the Free Trade Agreement to prevent that.

When I queried the information, the facts provided by the Prime Minister, the Minister of Finance called me a liar. Today, as a result of the Free Trade Agreement, the Budget contains cutbacks in regional development and unemployment insurance. My question to the Minister of Finance is: Who lied to Canadians?

[*English*]

Ms. Copps: Where's your mother now?

Mr. Mulroney: My mother is at home saying that her son the Prime Minister and the Minister of Finance are doing an outstanding job for Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And she said, "When you see the Hon. Member for Hamilton East, give her my love".

Ms. Copps: As long as she trades in her old age pension cheque.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Right Hon. Prime Minister has the floor.

[*Translation*]

Mr. Mulroney: Mr. Speaker, the Leader of the Opposition mentioned two federal spending components: social programs and regional economic expansion. The Budget Papers show clearly that all social programs will be up by 5 per cent annually over the next five years, every single one, and that regional economic expansion programs will be up by 35 per cent over the next five years. Now that is a commitment to social programs and regional economic expansion!

[*English*]

IMPACT ON CHILD CARE PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister talks about his mother, and I am sure she is a wonderful woman. I am also sure that he is a son that only a mother could love.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): During the election campaign, the Prime Minister said about the child care program, and these are the Prime Minister's words:

> We will be reintroducing that legislation and passing it as soon as Parliament comes back after the election.

How can the Minister of Finance reconcile that election commitment of the Prime Minister—not an election promise but an election commitment, to use the vocabulary of the Minister of Finance—with the Budget announcement that $4 billion for child care spaces has been wiped out? Is this election deception not yet another reason why the Minister and the Budget ought to be thrown out?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend mentions my mother. My mother will be embarrassed by this, but I feel I should say that she did say to me, "Brian, if I couldn't have a son like you, I'd like him to be just like Mr. Turner".

Some Hon. Members: Hear, hear!

Mr. Speaker: The Right Hon. Prime Minister has the floor.

Mr. Mulroney: Mr. Speaker, with regard to child care, we began to implement the child care strategy. It is in place in regard to—the Hon. Member for Hamilton East is chuckling, but the Government is now providing $2.3 billion over the next seven years to increase tax assistance for families with pre-school children and children with special needs. These tax measures, which are a very important component of a child care program, help 1.4 million families here in Canada, low-income families. A second component is a fund of $100 million to support special initiatives to improve child care services.

I will acknowledge with regret that a third measure that had been proposed to accelerate the creation of additional child care spaces across Canada, because of the fiscal situation, we are not in a position to proceed with those measures at this time. However, the Government will act during this mandate to meet its child care objectives, and I think all Hon. Members will regret the fact that at the end of the last session, the Liberal Senators killed the child care program.

[*Translation*]

CAMPAIGN PROMISES—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister.

During the election campaign, no Conservative Member of the House told seniors that some would have to return their old age security pension cheques. During the election campaign, neither did the Bouchard brothers tell families that they would have to give back their family allowance cheques.

My question for the Right Hon. Prime Minister, since his mother is with him today, is: Could he tell his mother how come he said in front of her and everyone during the election campaign, "Would I hurt my mother?" How come at the same time he lied again to seniors by not admitting that 368,000 elderly people in Canada would have to return their old age security pension cheques, which has never happened before in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have heard some good ones, but that tops them all!

The Hon. Member for Sainte-Marie is defending people over 65 with an annual income between $50,000 and $75,000. I can tell you that my mother does not earn that. We are here to defend the least fortunate in our society, not the rich.

The Minister quite rightly points out that this measure affecting people whose net personal income is between $50,000 and $75,000 a year will be phased in over three years. It seems to me, as the *Toronto Star* said this morning, that universality is not at all affected. The *Toronto Star* said so in an editorial. So it is a progressive measure that will help this year: the less fortunate will get more, the rich will pay more, and it is quite normal to give more to the poor and less to the rich.

Some Hon. Members: Hear, hear.

Mr. Malépart: Mr. Speaker, the Prime Minister's statement is false, and this is one more instance in which Canadians have been deceived, because there is no transfer of wealth to poor families. And don't forget that senior citizens who earn $50,000 or $60,000 are the people who built this country and who made it possible for Brian Mulroney to be wealthy today. Those are the people you are going after.

Respect for the elderly doesn't mean—

Mr. Speaker: Your question, please.

IMPACT OF BUDGET ON THE SICK

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my supplementary is directed to the Minister of Finance. Why has the Minister decided to use his Budget to go after the sick across Canada by making cuts in the health insurance program? Why do the sick have to suffer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the general programs to which the Hon. Member referred, not only will there be no cutbacks, there will be $25 billion more at the federal level that will be transferred to the provinces.

As for the question about pensions, that measure will affect about 4 per cent of 3 million senior citizens who are drawing old age security benefits; fewer than 2 per cent will be subject to full recovery; about 14 per cent of 3.8 million recipients of family allowance cheques will be affected by this measure; fewer than 10 per cent will have to pay back the full amount.

What we are doing constitutes a progressive initiative. We are taking more from the rich to give more to the poor. That is a social policy which the Hon. Member has always defended.

• (1130)

[*English*]

SOCIAL PROGRAMS

UNIVERSALITY—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. The national associations representing the poor people of Canada attacked the Government's Budget yesterday.

A few years ago the Prime Minister said the following about the universality principle in social programs: "Our position is simple and straightforward. We are in favour of universality of social programs and it shall not be touched". That was said by the Prime Minister a few years ago.

The Government has now introduced a Budget that removes not simply a few thousand people but hundreds of thousands away from the universality principle affecting family allowances, affecting pensions, and destroying the social policies as a right of citizenship in this country. Why has the Prime Minister reneged on this fundamental commitment? Why is he taking what can only be described as a revolutionary approach to Canada's social policy tradition in this Budget?

Right Hon. Brian Mulroney (Prime Minister): Well, Mr. Speaker, I have heard it all. Here is a Government determined to have more resources to give to the poor and the disadvantaged and those who need it by taking it from those who can afford it most, and this is being opposed by the Leader of the socialist Party.

On this important issue this morning, *The Toronto Star*, no friend of the Government, stated, in regard to Mr. Wilson:

> While he maintains the all-important principle of universality, Wilson proposes to tax back these benefits from those most able to afford it. While that acceptable measure only affects 14 per cent of family allowance recipients—

—and so on. The Star says it is an "acceptable" measure.

We think it is a socially positive measure.

Because my friend raised the subject of agencies dealing with the poor, I refer him to a recent statement made by the National Council on Welfare: "The advantage of the claw-back is that it saves money not by tampering with the principle of universality, but rather by increasing the progressivity of social programs. Most defenders of universality believe that benefits should be distributed in a progressive fashion—. The claw-back does no damage to universality—old age pensions and

family allowance cheques would still go out to all the pensioners and parents, regardless of their incomes—but it does reduce the net value of benefit to upper-income recipients". This allows more for the poor.

* * *

TAXATION

INCOME TAX INCREASES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it was not *The Toronto Star*, it was the Prime Minister of Canada who promised to maintain the principle of universality in social programs. The Prime Minister and ordinary Canadians will understand that if today teachers' pensions are attacked, tomorrow it will be steelworkers, after that it will be bank clerks, and the whole social policy program will be turned into a system of welfare and the people of Canada will reject a Government that does that.

My question to the Prime Minister, who so categorically abandoned another sacred trust on the floor of the House of Commons, is this: if he is so concerned about fairness—

Mr. Speaker: I would ask the Hon. Member to put his question.

Mr. Broadbent: If the Prime Minister or the Minister of Finance is so concerned about fairness, why has the Government increased the taxes on the poor since 1984 by 60 per cent? Why is there a $1,700 increase in the taxes of an ordinary family? A man who makes a $100,000-gain in the stock market this afternoon in Toronto will not pay one cent of tax on that. Is that fair?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hope that the country will take note of the fact that, while Canada is wrestling with a very serious fiscal problem, while everyone recognizes there is a very major debt problem and the Government is standing up for ordinary Canadians, the NDP is standing up for the rich.

I want to point out to my hon. friend that these measures, as the National Council on Welfare states, and as the *The Toronto Star* has pointed out, maintain the universal character of these transfer programs. Everyone eligible for these programs will continue to receive his or her benefits regardless of income. Those who need assistance most will continue to retain all of their benefits. Recipients with high incomes will retain less. This preserves the social safety net and helps provide a sound financial basis for social programs into the future. Surely this is what all parliamentarians want on behalf of Canadians.

• (1140)

Mr. Broadbent: Under different circumstances the Prime Minister knew what was at stake. When it comes to the universality of social programs, he defended that concept. Now that he is trying to justify a Budget that puts a $1,700 tax increase on the average family that still leaves over 6,000 upper-income Canadians with no tax obligation and 80,000 profitable companies not paying a tax, he comes in with this gobbledegook, but he will not fool the people of Canada, I tell him.

[*Translation*]

UNIVERSALITY PRINCIPLE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister made the same promises, probably even to his mother, about maintaining the universality of social programs, why did he deny today everything he said about this principle a few years ago?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not denying anything. In fact, the principle of universality is maintained in today's budget proposals provisions. One authority, for instance, which is no friend of the Government's, the *Toronto Star*, one of our big papers, stated that the integrity of the universality principle had been maintained. This measure leaves intact the universal character of these transfer programs. Everyone who is eligible will continue to receive benefits, irrespective of income. Individuals who are most in need of assistance will continue to keep the full amount of their benefits, high-income recipients will keep less. We are maintaining the social security net while helping to put social programs on a sound financial basis for the future.

Mr. Speaker, we are giving more to the poor and less to the rich. Now that is a genuine social policy!

[*English*]

THE BUDGET

IMPACT OF CLOSURE OF CF BASE AT SUMMERSIDE, P.E.I.

Mr. Joe McGuire (Egmont): I have a question for the Prime Minister, Mr. Speaker. Last October 15 in Summerside, Prince Edward Island, the Prime Minister stated:

> In the future Canada will do more not less for all of you. Our Government is committed to social justice and fairness for Canadians.

How, Sir, can the Prime Minister reconcile that statement with the devastation he has just inflicted upon the Town of Summerside and the surrounding communities? How can he possibly justify the closure of the largest institution in western Prince Edward Island, the only military base in the province? This will have the effect of ruining the economy of western Prince Edward Island and will devastate its fragile economy.

An Hon. Member: Shame!

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the actions that were taken through the Budget show the concern of our Government for the ever-increasing debt this country faces.

Mr. McGuire: For Summerside?

Mr. McKnight: No Government has given more consideration to the defence of this country. But to have economic sovereignty, we must address the problem of the debt at this time.

The operations and closure of some seven bases and stations and the reduction in size in seven others are made so that with those savings we can provide the men and women who continue to serve Canada with the equipment they need, while addressing the ever increasing debt which the country and the Government inherited in 1984.

Mr. McGuire: Mr. Speaker, as you know, Prince Edward Islanders are celebrating the 125th anniversary of the first meeting which led to the Confederation of this country. But how, Mr. Speaker, can you celebrate the loss of 3,000 jobs? How do you celebrate the loss of $90 million leaving our economy? How do you celebrate the death of a small community?

I ask the Prime Minister to reconsider his decision. Am I expected to be the last Maritimer to stand up and tell my friends and neighbours, when the last person leaves Summerside will he or she please turn out the lights?

Some Hon. Members: Hear, hear!

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the Hon. Member, I am sure, has a long memory. He will realize that Summerside was there before the base was created.

Mr. Turner (Vancouver Quadra): Wow!

Mr. McKnight: That being said, in order to address the needs of Canada in fighting the ever-increasing cost of interest on a debt and continuing to provide men and women who serve Canada with the equipment needed, this Government has to take very serious steps.

The closure of Summerside and the savings resulting amount to over a billion dollars in the planning year, and that Member is a member of a Party whose Leader asked for $15 billion to be taken out of the defence budget of this country.

An Hon. Member: In submarines not in Summerside.

* * *

THE BUDGET

REQUEST FOR BUDGET WITHDRAWAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Finance. It is the position of the Opposition that a leaked Budget is a tainted Budget and must be withdrawn, whether the leak is through ministerial responsibility, irresponsibility or non-responsibility, and whether the acts are criminal, negligent or innocent.

If the RCMP investigation confirms that benefits were or might have been obtained through advanced knowledge whether or not anyone is prosecuted, will the Minister withdraw that Budget?

Mr. Speaker: I have to point out that the Members' question is very hypothetical. The Minister may want to answer but the Minister is not required to.

Mr. Kaplan: Mr. Speaker, is the Minister prepared to recognize that the Budget should be withdrawn because of the leak, irrespective of the reasons for it or whether his theory of ministerial responsibility a theory we do not accept applies to it, and how can he bring to this House a leaked Budget knowing that there can or may have been benefits obtained from it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this matter has been dealt with extensively on the floor of this House in the debate that we had yesterday.

The Solicitor General has indicated that there is an investigation under way. That investigation is continuing.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, since yesterday information was given by the Minister of Energy, Mines and Resources about the state of the investigation of the RCMP, will the Minister confirm, in fact, the state of sloppiness that existed around security in the preparation of his Budget? On the basis of that sloppy security will he tell us whether he will recognize his responsibility for it and resign?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, I am advised by the Acting Commissioner of the RCMP that all resources necessary to follow all leads on this case have been deployed.

[*Translation*]

Investigations are being conducted, Mr. Speaker, and it is entirely inappropriate to comment on them in this House.

* * *

• (1150)

[*English*]

CHILD CARE

EFFECTS OF BUDGET ON CHILD CARE PROGRAMS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the Right Hon. Prime Minister. In 1984 he promised child care, and he did not deliver. In the women's debate he promised child care, and he did not deliver. In 1988 he promised child care, and he did not deliver. In the Speech from the Throne he promised child care, and again he did not deliver.

Some Hon. Members: Shame.

Ms. Langan: Why has this Government broken its promise and abandoned its commitment to Canadian families and to the two million children in Canada who desperately need child care?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no abandonment of the commitment of this Government to child care. We introduced a child care policy last year. Elements of that child care policy have been implemented, particularly the tax measures that are directed to low-income families. That is $2.3 billion. There is another element of that, which is a research fund to consider different ways of developing further child care policies.

The Hon. Member is also referring to the increase in the number of child care spaces that were part of the policy last year. We have indicated that because of the financial pressures that the Government is under, and particularly the need to control the financial debt, that must be deferred for the time being, but we are committed to introducing this legislation within this mandate.

GOVERNMENT POSITION

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my supplementary is to the Hon. Minister of Finance. The Minister of National Health and Welfare has had his precious submarines sunk, and I think now the Minister of Finance is torpedoing child care in this country. Is it not a fact that with the tax breaks in this Budget the only child care commitment is to those who can afford it in this country, and those children whose families cannot afford it are left on their own to fend for themselves?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I could not hear the whole of the question over the din coming from her colleagues, but I believe that she was talking about tax breaks in this Budget. There are no tax breaks in this Budget. I know the Hon. Member has not been in the House for a long period of time, but if she would look back over the past four and one-half years, we have acted to reduce a broad range of tax breaks and tax loopholes on many occasions, both within Budgets and outside of Budgets, that have benefited people in higher income brackets, corporations. In this Budget, in fact, we have introduced a large corporations tax. We have increased the surtax specifically for those people who are earning over $70,000.

There is a good balance in this Budget in trying to address a very serious problem which, if we do not address, will result in programs that we will not be able to maintain. That is the essence of what we are trying to do in this Budget.

Some Hon. Members: Hear, hear!

Oral Questions

CHILD CARE

EFFECT OF BUDGET ON NATIONAL CHILD CARE ACT

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Right Hon. Prime Minister. His Government has clawed Canadian families. A new word has entered the lexicon: claw-back. They are clawing back the family allowance, clawing back the old age pension, and now they have clawed Canadian children by cancelling the National Child Care Act. Why did the Prime Minister promise that social programs were sacrosanct during the election campaign and then claw 200,000 Canadian children by cancelling the National Child Care Act?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me quote again from the National Council on Welfare. The advantage of using her word, the claw-back, is that it saves money, not by tampering with the contentious principle of universality but rather by increasing the progressivity of social programs. Most defenders of universality believe that the benefits should be distributed in a progressive fashion.

Let me remind the Hon. Member that this measure is directed to senior citizens, those over 65. Four per cent of those who receive the old age security cheque will be affected and less than 2 per cent will have to pay it back. Of 14 per cent of those who receive the family allowance cheque, less than 10 per cent will see that the full amount is repaid.

IMPLICATIONS OF FREE TRADE AGREEMENT

Ms. Mary Clancy (Halifax): My supplementary question is still for the Prime Minister, since the Minister of Finance did not understand the question. I am sure that the children of Canada will be reassured by the gobbledegook we heard. I ask the Right Hon. Prime Minister, is this obliteration of the National Child Care Act another attempt to give us the so-called level playing field with the United States, and make Canadian children the first victims of the Free Trade Agreement?

Some Hon. Members: Hear, hear!

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, with regard to the matter raised by the Hon. Member, I would remind her—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Beatty: Mr. Speaker, we hear this sort of noise from the Opposition. It was the finance critic—

Some Hon. Members: Oh, oh!

Mr. Speaker: There is a lot less noise now than there was. The Hon. Minister will answer the question.

Mr. Beatty: Indeed, Mr. Speaker, it is the finance critic for the Official Opposition who said this: "Programs such as family allowances and old age security should be available to those in need". He said: "Perhaps the most effective way of ensuring that Canadians in need receive adequate amounts of support is for those who do not require such support, tax it back", said Roy MacLaren, as reported in *The Ottawa Citizen* of March 21, 1989.

Some Hon. Members: Hear, hear!

Mr. Beatty: With regard to child care, let me inform the Hon. Member what is in place. First of all, the child tax credit for which the vast benefit goes to the people most in need is in place. The child care tax deduction, the $100 million child care initiatives fund is in place. The Canada Assistance Plan remains in place. We expect an increase of some 20 per cent this year, in terms of subsidies for child care under CAP, and yet we see that the Party that opposed our child care Bill suddenly says we should be scrapping that and bringing back the child care Bill. It is simply not credible.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

THE BUDGET—CUT-BACKS IN FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Prime Minister. How can we ever trust the word of this Government? During the election campaign, the Government said that unemployment insurance would not be touched, that it would not be cut. Last week we quoted the exact words of the Minister of International Trade on that subject, yet in the last two weeks the Government has slashed unemployment insurance twice.

On April 11, it took out $800 million. Yesterday, the Government abandoned $1.9 billion of its commitment to that fund. How can the Government justify this savage attack on the unemployed? How can it pass the buck on this to the workers of this country? Explain that to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have had a number of questions on the changes brought in by my colleague, the Minister of Employment and Immigration. It is very clear that the unemployment insurance system has been improved by providing benefits for training to help people get better jobs and get those jobs on a more permanent basis. Surely this is the way that we should be improving the unemployment system. The Hon. Member now refers to the financing. The financing of the unemployment insurance system has been changed. It has been changed in a way that asks the employers and employees to carry the burden for the unemployment insurance system with the exception that if there is a time when the funds should go into deficit—which occurred from 1982 to 1987—the Government will stand behind that fund.

• (1200)

There are two key points. The first is that the rate will be at $2.25 for the next five years, which is below the rate of the last four or five years. Second, the maximum cost to the employee will be $1.40 per week.

SOCIAL PROGRAMS—CUT IN FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, Canadian workers will not be fooled by that answer. Is this not just an attempt to create the level playing field to facilitate free trade with the United States which during the election the Government said was not necessary?

The Minister of Finance during the election campaign called the Leader of the Opposition a liar for suggesting that social programs would be cut to accommodate free trade—

Mr. Speaker: I would ask the Hon. Member, given the time, to put his question, please.

Mr. Allmand: Mr. Speaker, I ask the Minister: Who is telling the lies?

Some Hon. Members: You!

Mr. Allmand: Did the Minister not have this Budget up his sleeve in November?

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Essex—Windsor.

Oral Questions

ECONOMIC REGIONAL DEVELOPMENT ASSISTANCE

RENEWAL OF AGREEMENTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct my question to the Prime Minister. During the free trade debate the Prime Minister said that regional development programs were safe. Now, in the first free trade Budget, the Government is slashing regional development spending by 29 per cent per year from $1.4 billion to $1 billion.

Will the Prime Minister assure the poor Atlantic and western provinces of the country that the 44 ERDAs that have run out will have their funding renewed at the present level? Will that funding be put back in place?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member did not stay in the House for the presentation of the Budget papers yesterday. It is possible that he missed the information that was in the Budget speech.

Ms. Copps: He caught in on Global.

Mr. Marchi: He read it the day before.

Mr. Wilson (Etobicoke Centre): I refer the Hon. Member to page 8 of the Budget speech. The Government has had a tremendous commitment that has been clearly expressed in an increase in funding by 50 per cent in the previous mandate. Over the next five years that level of funding will increase by 35 per cent above what it was in the last five years.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member understands, I think, the importance of the federal Government debt. We must get that debt under control. In facing that we have found the right balance to continue our commitment on regional development spending and at the same time get the debt under control.

Some Hon. Members: Hear, hear!

[*Translation*]

FINANCIAL SUPPORT BY THE GOVERNMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary. The Province of Québec now has twelve general agreements that will expire by the beginning of next year. Is the Government committed to providing financial support equivalent to the funding provided under these agreements? Is it a promise?

Estimates

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I answered this question in English but I think it is necessary to repeat our commitment to regional development. During the past four years, we have increased our commitment to regional development by 50 per cent, and during the next five years, regional development will be up by 35 per cent. This is very important for the provinces, and I think it is very important to understand that within the next few weeks, the ministers—

[*English*]

I will repeat it in English. In the next few weeks Ministers will be sitting down with their provincial counterparts to discuss the renegotiation of any regional development agreement.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I want to address to the Government House Leader the usual question about the business the Government intends to call over the next seven days. For obvious reasons this question could not have been put yesterday. I am sure the Government House Leader would love to have the question put to him and give his answer.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to indicate to the House that on Monday it is our intention to commence second reading of the borrowing Bill and to continue the same on Tuesday if in fact it is not finished on Monday.

On Wednesday it would be our intention to resume debate on the Budget as the second allotted day.

If I may I would like to point out a complication with the House order under which we are operating today. It states:

> That, immediately upon the completion of the speech by the New Democratic Party speaker, but in any event not later than 3.30 o'clock p.m., the Speaker shall adjourn the House until Monday, May 1, 1989, at 11 o'clock a.m.

I want to point out that the usual provisions which apply with respect to extending the day would be foreclosed by that 3.30 time. It was not the intention of the Government nor of the Opposition House Leaders when we drafted the order to in any way curtail the remarks of the lead speaker for the Liberal Party and the Member who is speaking on behalf of the New Democratic Party. I want to indicate at this time that we on the Government side would be prepared not to see the clock in the event that those remarks are not completed by 3.30 p.m. in order to allow for them to be completed.

Mr. Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition I am prepared to agree to that proposal provided it is understood that no one else will be given the floor after the conclusion of the remarks of the spokesperson for the New Democratic Party.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to thank the Government and the Official Opposition for their courtesy.

I also want to take this opportunity while I am on my feet to say this. We are assuming that since the comments in terms of the questions of privilege raised yesterday cannot proceed today because of the special order, we will be able to resume those comments on Monday, and that we will be following the points in that order for today's business.

Mr. Deputy Speaker: The House has heard the terms of the proposal. Is it the pleasure of the House to adopt it?

Some Hon. Members: Agreed.

* * *

MAIN ESTIMATES, 1989–90

A message from Her Excellency The Governor General transmitting Estimates for the financial year ending March 31, 1990, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Deputy Speaker to the House.

• (1210)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to table in support of the Estimates, Part I, the Government expenditure plan. I will table with the Clerk of the House on behalf of my colleagues Part III of the Estimates consisting of 84 departmental expenditure plans. These documents will be distributed to members of the standing committees to assist in their consideration of the spending authorities sought in Part II of the Estimates.

I would also like, if I may, to move pursuant to the provisions of Standing Order 81(6) that:

Main Estimates for the fiscal year ending March 31, 1990, laid upon the Table this day, be referred to the several standing committees of the House as follows:

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

Mr. Deputy Speaker: The House has heard the suggestion of the Hon. President of the Treasury Board (Mr. de Cotret). Is it agreed?

Some Hon. Members: Agreed.

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

Estimates

To the Standing Committee on Aboriginal Affairs

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

To the Standing Committee on Agriculture

Agriculture, Votes 1, 2, 5, 10, 15, 20, 25, 30, 35, 40 and 45

To the Standing Committee on Communications, Culture, Citizenship and Multiculturalism

Communications, Votes 1, 2, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and 80

Secretary of State, Votes 1, 5, 15, 20, 30 and 35

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

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

Finance, Vote 40

Governor General, Vote 1

Industry, Science and Technology, Votes 95, 100 and 101

Parliament, Vote 1

Privy Council, Votes 1, 5 and 30

Public Works, Votes 1, 5, 10, 15, 20, 21, 25, 30, 35 and 40

Secretary of State, Votes 10 and 25

Supply and Services, Votes 1 and 5

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

To the Standing Committee on Elections, Privileges, Procedure and Private Members' Business

Privy Council, Vote 10

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 1, 5, 10, L15, L20, 25, 30, 35, 40, 45, 50 and 55

To the Standing Committee on Environment

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

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5, 10, L11, L12, 15, 20, 25, 30, L35, L40, 45, 50 and 55

To the Standing Committee on Finance

Finance, Votes 1, L5, L10, 15, L20, 30 and 35

National Revenue, Votes 1, 5, 10 and 15

Privy Council, Vote 20

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Votes 1, 5 and 10

Forestry (Ministry of State), Votes 1, 5 and 10

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

Justice, Vote 10

To the Standing Committee on Justice and Solicitor General

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

Privy Council, Vote 35

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

To the Standing Committee on Labour, Employment and Immigration

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

Labour, Votes 1, 5, 10 and 15

To the Standing Committee on Management and Members' Services

Parliament, Votes 5 and 10

To the Standing Committee on National Defence and Veterans Affairs

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

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

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

Employment and Immigration, Votes 25 and 35

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65 and 70

To the Standing Committee on Public Accounts

Finance, Vote 25

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

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

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

Industry, Science and Technology, Votes 1, 2, 5, 10, L15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85 and 90

Western Economic Diversification, Votes 1 and 5

To the Standing Committee on Transport

Privy Council, Vote 25

Transport, Votes 1, 5, 10, 11, 15, 16, 20, 25, 30, 35, 40, 45, L50, 55, 60, 65, 70 and 75

Estimates

That Privy Council Vote 15 be referred to the Standing Joint Committee on Official Languages; and

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

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

MAIN ESTIMATES—1989-90

EXPLANATORY NOTES OF PRESIDENT OF THE TREASURY BOARD

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am pleased to table today, on behalf of the government, the Main Estimates for the 1989-90 fiscal year. They reflect the government's continuing determination to better manage its resources. As well they recognize the important contribution that the public service has made to enable the government to deliver its programs and services to Canadians as effectively and efficiently as possible.

[*English*]

The Government's updated fiscal plan provides for total budgetary expenditures of $142.9 billion in fiscal year 1989-1990, a 7.4 per cent increase over the forecast for the past fiscal year. I want to underline to Hon. Members today that program expenditures as reflected in the Budget are increasing by only 3.5 per cent over last year, more than a full percentage point below inflation and in line with the average expenditure growth of the last five years, which was 3.6 per cent.

Today I am introducing Main Estimates totalling $131 billion. They reflect the Government's continued success in controlling program spending. They also reflect a commitment to the priorities set out in the Speech from the Throne and our ongoing efforts for a more productive Public Service. These Estimates represent an increase of 9.7 per cent over those tabled last year. This is higher than the rate of growth and total spending outlined in the Budget largely because the Government has been able to identify proportionately more of its requirement at this stage of the Budget cycle. The Main Estimates therefore include more of the Government's planned expenditures than has been possible in the past. This higher amount for Main Estimates is offset by a smaller increase in reserves to fund items to be included later this year in Supplementary Estimates.

I am pleased to inform Hon. Members that the Government is making provisions for reserves of $3.1 billion, approximately 40 per cent less than the amount provided last year.

[*Translation*]

Mr. Speaker, the increased spending in Main Estimates expenditures for this year is a direct consequence of the overhanging legacy of debt.

Since 1984, 50 per cent of the increase in budgetary expenditures is attributable to higher public debt charges. For this year, public debt charges account for 63 per cent—virtually two-thirds—of the increase in Main Estimates. Interest payments on the debt have now become the single largest component of expenditures. While debt charges have increased substantially, program spending has been brought under tight control. This control over program expenditures is not a new development. It is a reinforcement of five years of determined action by the government. The program component of Main Estimates is increasing by only 4.9 per cent. In the five years ending in 1989-90, this program component has advanced at an average annual rate of 4.3 per cent. This is in sharp contrast to the previous annual average increase of 11.8 per cent from 1980 to 1984, and from the 15.7 per cent average increase from 1971 to 1980.

Even more indicative of the government's program of improved expenditure management is what has happened to the program portion of Main Estimates as a share of Gross Domestic Product. Since 1984-85, that share has fallen continuously and significantly. From a high of 16.7 per cent in 1984-85, these expenditures have dropped to just over 14 per cent of Gross Domestic Product for this year.

[*English*]

My colleagues and I are determined to continue our policy of sound management as well as to seek ways to reduce the overhanging burden of the public debt. Bringing the Government spending into balance will require us to sustain the drive toward improved management of expenditures. The Main Estimates I am tabling today are a further step in this direction while maintaining our commitment to other priorities. Living more effectively within our means has required the Government to both realign and reduce its expenditures. The Government is introducing expenditure reductions for this year totalling $1.5 billion. When the reductions announced by my colleague, the Minister of Finance, are fully implemented, they will amount to $2.5 billion a year. We have ensured and will continue to ensure through regular and progressive adjustment that no

sector of the economy nor region of the country bears a disproportionate burden of these changes.

I want to assure Hon. Members that we were careful to select reductions that will not impair the health, the safety or the security of Canadians.

Some Hon. Members: Hear, hear!

Mr. de Cotret: Expenditure reductions reflected in these Main Estimates were primarily made in five areas. First, growth in the defence programs is being reduced by $575 million. Second, savings of $360 million are being obtained this year by limiting the funding levels of ODA. Third, subsidies and transfers have been reduced, netting a saving of $141 million. Fourth, payments to certain Crown corporations have also been decreased, yielding $105 million. Finally, Government operations are being curtailed by $49 million.

These Estimates make no provision for expenditure reductions requiring legislative changes which will have to be approved by this House. These statutory items amount to some $140 million. Further, the Main Estimates do not reflect reductions of $175 million to items that have been carried in reserve in the Government's expenditure plan.

• (1220)

Reducing the deficit and overcoming the legacy of debt is a Government priority. We have approached this priority in a way that will allow the Government to maintain its commitments: Its commitments to a stronger, more competitive economy; commitments to preserve our environment; commitments to show that we are a caring and compassionate society; and the commitment to foster Canada's cultural and national identity. Spending to reinforce an already strong science and technology program, which is crucial to a competitive economy, will be increased by 12.8 per cent. Environmental protection and enhancement expenditures will grow by 9.4 per cent.

Social spending is not at risk. Funding for key social programs, including programs for elderly Canadians, will grow by 6.6 per cent. Included in this total are increases for elderly Canadians of $865 million.

Further, to foster Canada's cultural and national identity, cultural funding is being enhanced and a new Department of Multiculturalism is being established.

Assistance for native peoples is being increased by 11.6 per cent. Finally, the Government, as always, is delivering on its commitment to assist farmers hit by drought, and $387 million is being provided in the Estimates for this purpose.

[*Translation*]

In the May 1985 Budget, the government announced a program to downsize the public service aimed at lowering the cost of delivering programs while ensuring that essential services to the public and services related to health, safety and security were maintained.

Mr. Speaker, I am confirming today that the size of the Public Service is being reduced by a further 1,072, or one-half of one per cent in these Main Estimates. This brings total net reductions to date to 11,596.

Mr. Speaker, our public service employment level is now the same as it was in 1973.

These total reductions have been achieved while the workload associated with a number of existing programs, such as the issuance of income security cheques, continues to increase. In addition, the government provided the necessary resources to administer a number of new priorities, such as the new refugee determination system, by re-investing some of the savings from the downsizing program into these new requirements. The success of this effort is a testament to the competence and dedication of our managers and employees.

As Honourable Members are aware, over two weeks ago I presented to the House my report on the special warrants that the Governor General was asked to issue in the 1988-89 fiscal year when Parliament was not in session. I also tabled at the time a report on the special Governor-General's warrant for the 1989-90 fiscal year. The funds included in this warrant, as well as in the interim Supply Bill I will be tabling next week, are supported by the program information in the Main Estimates, which Members will have an opportunity to assess in detail.

[*English*]

The Government recognizes the need to use its resources to meet productively the needs of Canadians and to continue to develop ways of doing this more efficiently and more effectively. The track record of the last five years that I reviewed earlier clearly shows that we have made major inroads into controlling the growth of program spending and managing our resources judiciously. The Government is determined to sustain this progress.

The Main Estimates I am tabling today confirm our resolve to manage prudently while positioning us equally well to deliver on our priorities, which are a stronger, more competitive economy; preservation of the environment; a caring, compassionate society; and a stronger cultural and national identity.

Some Hon. Members: Hear, hear!

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, first I would like to congratulate the Minister for keeping the Estimates secret prior to the lock-up. I must say, however, that I suspect he was looking at different Estimates than those we are seeing. Certainly the numbers are different.

Yesterday the Minister of Finance (Mr. Wilson) attempted to show, somewhat lamely, that he was the victim "of a breach of trust". Subsequently the Right Hon. Leader of the Opposition (Mr. Turner) demonstrated quite clearly that a breach of trust had been perpetrated on this House and on the Canadian people by the way in which the Government dealt with the Budget leak.

Today I would like to remind the House of a third breach of trust, one that occurred some six months ago when Members opposite in the Government said that the deficit was under control and the kind of harsh measures set out in these Estimates were not necessary. They promised child care. They promised regional development. They promised enhanced social programs. The cost would be zero, according to the Prime Minister (Mr. Mulroney). In retrospect, he was right. When one does not live up to one's promises, it does not cost a penny.

The Government has misled Canadians. These Estimates create two Canadas. It erodes the building blocks of fairness on which we have built this country. It does what no other Government would attempt. It tries to solve its financial problems on the backs of the disadvantaged while, in the process, concocting a recipe for recession hitherto unknown.

[*Translation*]

Mr. Speaker, these Estimates are much more than accounting exercise. It is also in a way a means of judging the gouvernment's priorities and even the quality of life in our democratic country.

[*English*]

These Estimates indicate the kind of Canada that the Tories would create. They have left the $100,000 capital gains tax exemption intact and at the same time have written off huge segments of society. They have given the lie to the priority on the environment and sustainable development. The Government is spending no more this year than was spent in 1984.

It has made massive cuts in a number of areas, including, for instance, $27 million in areas such as conservation and alternative energy initiatives.

What is the end result of all this chicanery? What are the values of the Government? It says that it will now close up to 14 military bases across the length and breadth of this country. However, it does not mention the human face of these cuts. It does not say that it will be taking the heart out of a number of communities and leaving them as empty shells.

This Government has cut spending on foreign aid by over 15 per cent. It has reneged on its commitment to the developing world. It has walked away from a phenomenal opportunity to be the bridge between the haves and have-nots.

The Government promised us a new child care program but now refuses to live up to its obligations to the Canadian family. It has cut those obligations by over $200 million a year, and the number is going up. Canadian children, one out of every five of whom lives in poverty, will suffer enormously because of the callousness of Members opposite. Prairie farmers are shocked to learn that the Government is backing away from its commitment to crop insurance, a program fundamental to their income maintenance. The Tories have cut over $225 million out of western grain transportation, and it is no coincidence that these programs for transportation, regional development and unemployment insurance are on the list of things the Americans seek to attack in the free trade negotiations under the definition of an unfair subsidy. Typical of this weak-kneed Government, it has already hoisted the flag before the battle has even begun.

• (1230)

They say that we cannot afford regional development in the short term and they promised that they will increase funding later on. Tell that to the people in the fishery and the forest industries who have already been specifically singled out for cuts. The Hon. Member talks of increases in industrial technological development. The Estimates demonstrate that the budget has been cut by over $200 million, over 25 per cent. In the meantime, while all this is going on, how many small businesses will go down the tubes? How many workers will end up on the welfare rolls? How many families in places like Summerside, Prince Edward Island, will have to abandon their homes and their communities?

[*Translation*]

Mr. Speaker, I fully appreciate the anger felt by workers when they realized that the government is getting out of unemployment insurance. I fully appreciate the resentment of students and sick people at the government's intention to reduce by 270 million dollars its contribution to education and health care funding.

As for universality of social programs, the government tells us that the rich will pay. It might be so today, but tomorrow, the middle class will pay because this $50,000 threshold is not indexed. Consequently, under the Conservatives, once again the future of the average family is getting bleaker and bleaker.

[*English*]

The Government is cutting funding for native people and for multiculturalism. Language training for immigrants has been halved in the last two years. The women's program has been completely eliminated from the Department of the Secretary of State. These are things that define Canada. These are what give Canada its heart and its character. These have been raped and pillaged by the Government. These are not simply numbers on a page. We are talking about the soul of our country.

I have heard on numerous occasions Members opposite comparing the running of a government with the running of a family. Let us take them at their word. Families have debts. Does that mean that families stop sending their children to school? I do not know of any family that would, but this Government has cut post-secondary education. Does a family stop putting food on the table? I do not know of any family that would, but this Government has cut agricultural assistance. Does a family stop investing in its economic future? I do not know of any family that would, but this Government has cut regional development and is cutting research and development.

Mr. Hockin: That's not right.

Mr. Martin (LaSalle—Émard): That is not the document we have. The Hon. Member ought to start reading his own documents. Surely to God, the Estimates are not hidden from the Hon. Member. He should take a look at the Estimates of last year and of the year before. He should take a look at the record of this Government that does not give a damn about the Canadian people.

Mr. Hockin: Read this.

Mr. Martin (LaSalle—Émard): Don't lecture me. Tell the workers to read the want ads. Was that not the quote that was used?

No one has to tell the Members on this side of the House that the deficit is a problem, but it is clear from these Estimates that the major cause of the deficit has been the excessively high interest rates to the extent of $6 billion according to these documents. Has the Government attacked the problem? No, it wants but one thing: an excuse to take the Government out of the arduous responsibility of governing.

Last year, the Government exaggerated its revenue base by accelerating tax payments. This year, it is exaggerating its expenditure projections, the reduction, by reducing its reserves by over $2 billion. The Government is engaged in phoney accounting.

The Estimates are not simply a matter of adding up columns of long lists of numbers. It is a statement of the Government's sense of responsibility in the face of an evolving and changing society. The Government is saying to Canadians that it is washing its hands of the regions and of those who are in need. This is not the approach of a responsible government.

The battle lines have been drawn. We have only begun to study these Estimates and already one thing is very, very clear, that is that this Government has given new meaning to the definition of cynicism. It told us before the election that all was well, and then after the election that it cannot afford to face up to the challenges of governing a modern nation.

We on this side of the House understand this country and we know its people. We know their values and we share them. Our goal is to build a country, not to tear it down. I can tell Hon. Members that the clock has begun to tick. Pretty soon this Government will know that its time is over.

Some Hon. Members: Hear, hear!

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, there has been a great deal of talk about the Budget leak, but the biggest story is the deliberate attack on the weak. The Government claims to be aiding an economy that is more lean. To millions of average Canadians, the Government is characterized simply as being mean.

One of the interesting things about the Estimates revealed this morning was that while we were wondering about the breach of security which is being investigated by the Royal Canadian Mounted Police, the Estimates revealed cut-backs in the Royal Canadian Mounted Police. The Government claims to be attacking the deficit. It has chosen to attack the deficit on the backs of ordinary Canadians. It has attacked the family, it has attacked education, it has exploited workers to pay for the deficit, it has attacked the regions.

There could not have been a more dramatic demonstration of the heartlessness of this Government than the statement made by the Hon. Member from Prince Edward Island this morning, a statement which I found dramatic, compelling and truthful. An economy is to be wrecked in the interests of paring the deficit. As I recall, this year there will be a $500,000 cut in defence at the expense of jobs in Canada. I do not know why the Government did not consider the very simple solution of bringing the troops back from Europe, thereby saving $1 billion a year and demonstrating at the same time a commitment to the new notion of international security.

We are not looking at ways to pare the deficit, we are looking at ways to make those who are strong stronger at the cost of the weak. That is the clear message of this Budget. Listen to what has happened. Universality has been attacked, there can be no question about that. The chink is in the armour of universality with this Budget. Regional equality has now been compromised. In the public service and elsewhere, the commitment of the Government to sexual equality, racial equality and equality for all people in Canada will be compromised in the interests of the penurious rich.

• (1240)

Family allowances and old age pensions are to be selective. The value that we placed on our health system and the post-secondary educational system has been compromised. The Government purports to be interested in economic growth based on new knowledge in science and technology, and it is hardly even mentioned in the Budget papers. What we find in the Estimates is that that commitment to $1.3 billion will be, as it has been in the past, substantially ignored. Where is the message of competitiveness that was supposed to be contained therein?

Agricultural supports are scheduled for termination. Passenger rail service is to be cut by virtue of a diminution in the subsidies provided to VIA Rail. This raises the issue of sustainable development, which is supposed to be the broad scope of focus in the Budget. What we hear is sustained economic growth, not sustainable development. The cut-backs at VIA Rail demonstrate the type of commitment to a transportation system which would be energy efficient, and which we ought to have, which the Government has abandoned.

With respect to sustainable development we find embedded in the Estimates another very interesting message, and that is a cut-back in the amount that was supposed to be committed to acid rain emission control. It is gone from the Budget.

What has also been ignored in the Budget is the very high proportion of increased deficit attributable to interest rates. The Government has stated that it is going to cut the Budget by about $7 billion. Almost all of that is attributable to interest. This is not to be put on the backs of the poor. This is not to be put on the backs of the provinces that are dependent upon regional development funds. This is not going to be put on the backs of those who have benefited from high interest rates and who are putting that money in their pockets, because it is the rich who have been benefiting from high interest rates. If interest rates were decreased by one percentage point the deficit could be decreased by an additional $1.5 billion, as we all know.

The Government has missed the point in all of this. We are going to be plunged into a recession. Unemployment will increase by 1 per cent, and inflation will rise again. On top of our Government's own contribution to a recessionary situation that will be seen in the next couple

of years, the situation with respect to the United States, which will only make matters worse, has not been taken into consideration.

The Estimates give the message in detail of cut-backs that will hurt ordinary Canadians. Those cut-backs are a compromise of Canada's future. Those cut-backs reflect the commitments made under the Free Trade Agreement in areas such as unemployment insurance, which was seen as a subsidy by the Americans and to which the Canadian Government has responded in kind by agreeing that it is a subsidy and eliminating any indication of a subsidy by increasing the burden placed on workers.

Mr. Thacker: How many Canadians built your Mazda?

Mr. McCurdy: What Mazda? That shows you, Mr. Speaker, the compelling ignorance on that side of the House. They are worried about a single car, but they have produced a Budget that will mean that thousands of cars in my riding will not be built. The cars produced in Ontario are the cars which have been the engine of the country, and this Hon. Member is talking about a single car that does not exist in any other place but in his vacuous mind.

Mr. Thacker: It's the hypocrisy of you.

Mr. McCurdy: We hear the Hon. Member across the way talk of hypocrisy. Hypocrisy has been demonstrated in spades over the last couple of days. There has been hypocrisy with regard to the role of Parliament, hypocrisy with regard to commitments made to the Canadian people, and hypocrisy with regard to defence, most particularly. The Government is cutting Canadian jobs and preserving European jobs when $1 billion could be saved by keeping the jobs in Canada and bringing the troops back home.

This is the beginning of the end for the market philosophy represented by the Government. It disregards equality. It disregards fairness. It disregards the real basis for economic growth. This is a Government that would impose upon the weak in order to meet the needs of the greedy who back the Government. The Canadian people will condemn the Government for its Budget and for the specifics contained in the Estimates.

Statements by Ministers

ROUTINE PROCEEDINGS

[*Translation*]

WORKPLACE ACCIDENTS

TRIBUTE TO VICTIMS

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, on this day, April 28, Canadian workers are paying tribute to victims of work accidents and to those suffering from occupational injuries or diseases. As Minister of Labour and on my own behalf, I join them in expressing my deepest sympathy to affected people and their families and in denouncing the unacceptably high number of accidents in the workplace.

In 1987, last full year for which data is available, 894 Canadians died at work and 25 million person-days were lost due to work accidents and occupational injuries or diseases. I am sure, Mr. Speaker, that nobody can remain indifferent to that data. We must all join forces to ensure a safe working environment for all Canadians.

Any loss of life is unacceptable not only to the victim's loved ones but also to society. Work accidents entail direct and indirect costs of about 17.5 billion dollars a year. It is a very heavy burden on this nation.

The figures, though eloquent, hide the tremendous suffering of workers who are victims of accidents. I have met a lot of them over the years. Their physical pain is compounded by their inability to go back to work or to earn a living in a dignified way. We must help them.

Mr. Speaker, we must show solidarity and express our common will to fight against the scourge of work accidents.

[*English*]

April 28 has been chosen as the labour movement's day of mourning to commemorate workers who were killed, injured or disabled on the job. Work conditions and occupational safety and health have evolved greatly since Confederation. At the federal level, there were various pieces of labour-related legislation over the years, but a major step forward was taken in 1968 when the Canada Labour (Safety) Code was adopted.

Occupational safety and health are now fundamental to managing the workplace. The rights and duties of employers and employees are now embedded in our laws and regulations. For the federal jurisdiction, the Canada Labour Code is the main vehicle that we use to further the cause of occupational safety and health.

The Code requires that employers make employees aware of all known or foreseeable hazards in the workplace. Workers have the right to refuse dangerous work. Workers also have the right and responsibility to participate in identifying and solving job-related safety and health problems as members of safety and health committees, or as safety and health representatives. Needless to say, they play a key role in furthering safety and health issues. We should not become safety conscious only after accidents occur. Prevention has to be foremost in our minds. While laws, regulations and Governments play an important role in accident prevention, in the final analysis, it is the employers and workers who are responsible for preventing, eliminating or controlling hazards in the workplace.

• (1250)

This is a responsibility which no one can shun. Only through awareness can Canadian workers significantly improve occupational safety and health in the workplace.

[*Translation*]

As you know, Mr. Speaker, the Government encourages cooperation and seeks consensus; we constantly try to find new ways to give workers and employers the tools they need to prevent accidents in the workplace, as well as occupational injuries and illnesses.

Last October, the Workplace Hazardous Materials Information System came into effect. This system was created as a result of a joint effort by the federal Government, provincial and territorial governments, unions and employers.

WHMIS is a very important information system, one of the most advanced of its kind in the world. Its purpose is to identify hazardous substances used on the job and to standardize their labeling. Since it took effect, this system requires suppliers to specify the dangers involved with substances produced or imported in Canada that are used in Canadian workplaces. Furthermore, the system requires suppliers to transmit data sheets to employers who in turn must inform employees.

Today as a society we are greatly concerned with our environment and its impact on public health. In the same way, we must be aware of our working environment. We must ensure that our economic progress and growth are not at the expense of our workers' lives and health.

The federal Government is always looking out for new regulatory approaches that would enable it, in cooperation with its partners, to make the workplace safer for workers.

Much remains to be done, but there is a glimmer of hope on the horizon. In the last ten years, the work accident rate has gone from one worker in eight to one in ten, an average reduction of 17 per cent. This improvement is modest but encouraging.

[*English*]

As we have witnessed in the past, having all interested parties involved in occupational safety and health, is the only real way to ensure progress and change in the workplace. In the years to come we must all be part of the continuing effort to make needed changes happen. Each and every one of us in our respective roles must contribute to reducing the suffering caused by work related accidents and illnesses.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise today to pay tribute to those people who have been killed or injured in the workplace. As we know, many, many accidents have taken place over the years. Accidents that, by today's standards, show were great acts of carelessness.

As has been stated, April 28 has been designated as the labour movement's national day of mourning. The day is set aside to commemorate Canadian workers who have been killed or injured in the workplace. This date was chosen because it coincides with the passing of the first compensation law in Canada. It is important to note that,with the adoption of the Canada Labour Code in 1968, occupational health and safety concerns are now more protected than they ever were before. The objective of this was to reduce and ultimately eliminate job-related accidents. Since the adoption of this legislation the safety of the workplace has greatly improved. But I can say, and everyone knows, that much more is to be done. We now see occupational health and safety acts in place through the country. We still see great discrepancies. Many accidents and much illness still abound in the

workplace. Provincial Governments along with the federal Government, the labour movement and the employees themselves have to be more aware and continue to be on top of these things as time goes on. Many people have been hurt in ways that are not at first evident. It may be nine, ten or fifteen years down the road before something shows up.

We still have a long way to go and we must continue to work hard until we reach the ultimate goal of a hazard-free workplace.

The labour movement will today be laying a wreath at 1.30 p.m. at the Vincent Massey Park in Ottawa. This ceremony will take place at the monument erected for the workers killed, injured or disabled in the workplace. Many of us have lost loved ones through accidents that could have been prevented. Today we mourn these losses.

I say to you, Sir, and I say to this House that over the years, through hard work on behalf of all workers, labour unions and Governments across this country, the accident rates have been reduced.

I join today with all the others in this House by saying, let us continue to work harder to see if accidents can be reduced further and perhaps eliminated from our society.

An Hon. Member: Hear, hear!

Mr. Rod Murphy (Churchill): Mr. Speaker, today I rise on behalf of the New Democratic Party in observance of this special day in memory of workers who have been hurt or killed on the job.

Last year Members will recall that I had the honour to introduce a Private Member's Bill to designate every April 28 as a national day of mourning for persons killed or injured in the workplace. It was the New Democratic Party's hope that this Bill would have become an instrument by which today would have been set aside by all Canadians as a day of remembrance for our nation's workers. However, the Bill was not passed by the House of Commons.

On April 11 of this year, I reintroduced that legislation. I call upon all Members of Parliament, especially government Members and the Minister here, to support this Bill again when it comes to the floor of the House. If this Bill passes then year after year, April 28 will serve as a day on which we can all recognize the staggering number of people injured or killed while at work. It will also recognize the great need for a new emphasis on health and safety in the workplace.

As the Minister has just said and as the statistics note, deaths from workplace injuries averaged nearly 1,000 persons per year. Approximately one million Canadians are injured annually in the workplace and over 600,000 of those injuries every year are disabling.

In addition to that, Mr. Speaker, deaths occur because of exposure to unhealthy working environments, causing approximately 1,000 deaths each year. However, we do not have the statistics because such deaths go largely unreported and uncompensated, but it is likely that deaths from unhealthy working environments exceed those from physical injuries. But despite the statistics, many Governments in Canada are actually weakening health and safety rules. Many Governments in Canada are relaxing these rules and deliberately eroding the enforcement of safe working conditions for Canadians.

The increase of part-time workers, people who are not properly trained and who have only a minor attachment to the workplace, is also creating more injuries at the work site. For these reasons, I believe that we need to have national legislation in this area, that we need to have a focus on workplace safety, and that we need to have a greater emphasis within the Department of Labour to ensure that we save lives and prevent injuries for our nation's workers.

* * *

• (1300)

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF TENTH REPORT OF DELEGATION TO BUDAPEST CONFERENCE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the tenth report of the official parliamentary delegation which represented Canada at the Interparliamentary Conference in Budapest, Hungary, from March 13 to March 18.

I take pleasure in advising this House that under the capable chairmanship of Senator Nathan Nurgitz all our Canadian delegates made significant contributions to the proceedings, at all levels of activity, in debate, as presenters, as intervenors and as chairpersons of various committees.

I commend for reading this report to all Hon. Members. It attests to their colleagues' diligent and thoughtful input. Our Canadian Ambassador, Derek Fraser, his wife Christine, as well as our foreign service officers, were gracious and extremely helpful. The delegation was supported by competent parliamentary staff in the persons of Committee Branch Clerk Stephen Knowles, and researcher Barbara Reynolds.

Finally, Mr. Speaker, in this the Centennial Year of the Union, I would like to draw the attention of Members to your contribution to this important event by authorizing an official of this House, Mr. Philip Landy, Clerk Assistant, to prepare a book on "Parliaments in the Modern World", which will be released at the Centenary Conference in London and will be a landmark study. For this we thank you.

Some Hon. Members: Hear, hear!

[*Editor's note: See today's Votes and Proceedings.*]

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PETITIONS

VIA RAIL SERVICE

Mr. Howard McCurdy (Windsor—Lake St. Clair): Mr. Speaker, I have a number of petitions all duly certified, signed by some 2,000 constituents from Windsor and area.

These petitioners call upon the Government to provide the resources that they have failed to provide with respect to VIA Rail, take cognizance of the increased inefficiency, inconvenience, and indeed danger entailed as a result of deregulation of air transportation. They call attention to the promises of the Conservatives now in government to improve VIA Rail transportation.

It takes notice of the environmental implications of failure to encourage rapid rail transport. They humbly pray and call upon Parliament to maintain improved, modernized VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

DRINKING WATER PIPELINE

Mr. Rex Crawford (Kent): Mr. Speaker, I have a petition signed by almost 3,000 residents of Wallaceburg who need a pipeline to get clean drinking water.

Communities downstream from the chemical valley along the St. Clair River have had to cope with over 300 chemical spills in the last three years.

Those communities should not have to pay for this pipeline. They are not responsible for the spills, and all we ask is that the Government contributes 25 per cent of the pipeline's total cost. The provincial Government has already guaranteed 75 per cent of the cost. This pipeline is not an infrastructure. This is an emergency.

REDUCTION OF POVERTY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition to the House, pursuant to Standing Order 36.

It is from a number of western Canadians who point out that nearly four million Canadians are presently living in poverty as defined by Statistics Canada. In regions of Canada such as Newfoundland poverty strikes one in two unattached individuals. Forty per cent of Canadian families headed by women live in poverty, as again defined by the Government of Canada.

The petitioners are calling upon Parliament to encourage Canada's First Ministers to establish on an urgent basis a plan of action in order to reduce poverty in Canada. After seeing the Budget of yesterday, I guess they should be doing this with considerable expedition.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, April 27, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the tabling of a Budget is an occasion when a Government assesses where it has come from and proclaims where it intends to go. In this sense a Budget is a blueprint, a plan for the coming year. Companies prepare budgets to assist them in meeting their goals. Countries prepare budgets so that they can finance the programs they consider essential.

From the Budget tabled yesterday, we know how little importance this Conservative Government attaches to issues of major importance to Canadians—to promote full employment, to protect the environment, to develop our regions, to make our industries more productive, and to be internationally competitive.

We know how little importance this Government now assigns to ensuring that the recipients of social assistance have the means to raise themselves from poverty, to improve our education system and to assist the Third World with its debt and its development.

A Budget is even more than a basic plan of a Government. It is the occasion when a Government offers the people its thoughts, its vision if you wish, of where it hopes to lead the country. Judged by these standards also this Budget fails. It fails to offer Canadian people a concept of Canada beyond that of a reduced deficit.

In attempting to reduce its deficit, the Government has constantly spoken of fairness. But what is fair in imposing more taxes on those Canadians who can least afford to pay them? What is fair in cutting unemployment benefits while increasing employee and employer contributions? What is fair in asking the unemployed to pay for their own training, as well as the retraining of those who are employed?

What is fair in transferring to the provinces more of the cost of our social programs, of medicare or of higher education? Those costs will still need to be met. Now the provincial Governments will either have to reduce their own spending in those vital areas, or increase their own taxes to compensate for these federal cuts.

What is fair about raising interest rates for the past two years, and in so doing, fuelling inflation? Today, after two years of higher and higher interest rates, the threat of inflation is no more or less evident today than it was two years ago. What is fair in that?

Canadians today, as a result of both higher taxes and of higher interest rates, must pay more for their houses and their automobiles. The combination of higher taxes and higher interest rates put the successful operation of a small business or a farm at even greater risk. Is this what the Prime Minister (Mr. Mulroney) means when he says that his Government will be equitable to all Canadians? This negative Budget which has no purpose, other than to reduce federal Government spending and to raise taxes, is a direct result of this Government's own failure during the past four years to manage properly the Canadian economy and to put its own fiscal house in order.

Some Hon. Members: Hear, hear!

Mr. MacLaren: Mr. Speaker, a rudimentary principle of economic management is that the Government must pursue at all times a prudent and responsible fiscal policy. When times are good, the Government should reduce its deficit and prepare its fiscal house for the inevitable time when the economy becomes less buoyant. When a downturn is expected, as is now the case, the Government must put in place measures to stimulate the economy and to reduce unemployment. This is the traditional stabilization role of the Government in the economic cycle. In light of that simple and widely accepted economic principle, it is clear that the Government has failed in its management of our economy.

• (1310)

Over the last four years, in spite of strong economic growth, the public debt has nearly doubled, having reached more than $320 billion. The Government has piled up more debt in four years than any other Government since Confederation. Despite all the Government's rhetoric about deficit reduction, the deficit today remains at $30 billion, almost the same amount as when the Conservative Government took office four years ago. Yet, even with this poor financial record, the Government committed itself to $17 billion of pre-election and election promises. When times were good, instead of preparing the finances of the nation for less affluent times, the Government continued to spend, adding program on program and promise upon promise.

Now that an economic slowdown is in progress, the Government has no money either to honour its election promises or to help reinvigorate a weakening economy. By spending more when it should have shown restraint and by leaving corrective action so late in the economic cycle, the Government has put itself in an unsustainable position. Now all Canadians are being made to pay for this mismanagement.

Upon its election four years ago, the Government stated that it had three major objectives in deficit reduction. It has failed to reach any of them.

The first objective was "to achieve continuing sizeable year-over-year reductions in the budgetary deficit". Yet the Minister of Finance (Mr. Wilson) has now stated that the deficit will be at or near $30 billion this year, more than $2 billion over that of two years ago. There is no certainty that even the Minister's target of $30.5 billion for next year will be met.

The Minister's projected growth rate for the economy is 3 per cent, an optimistic figure viewed with widespread skepticism. The deficit is higher today than it was two years ago. This is not a continuing sizeable reduction. It is in fact no reduction at all. In the prime objective which it set itself, the Government has failed.

The Government's second stated objective was "to reduce the growth of the public debt to no more than the growth of the economy". The debt in 1984 was $170 billion when the Government took office. Today it is $320 billion, an increase of almost 90 per cent. That debt continues to grow faster than the economy. The Government's debt now accounts for more than 56 per cent of our Gross Domestic Product. It was only 45 per cent when the Government assumed office. The second objective of the Government: its second failure.

The Government's third objective was "to make expenditure control and good management the primary focus of fiscal restraint". In other words, to reduce the deficit by cutting expenditures and not by increasing taxes. Yet over the past four years tax increases have almost matched expenditure cuts. The Conservative Government has imposed on Canadians the highest tax increases in Canadian history. Canadians have had imposed on them a partial de-indexing of income tax; a 3 per cent income surtax, which has now become 5 per cent; an increase in the sales tax from 9 per cent to 12 per cent, which has now become 13.5 per cent; a 10 per cent tax on long distance telephone calls, which has now become 11 per cent; a five cent increase per litre on gasoline, which will now become 7 cents; and an increase on air transport taxes without additional safety in the air. This list is but a sampling of the Conservative tax increases.

Have these tax increases been spread equitably among all taxpayers? No. The National Council on Welfare recently released a study showing that during the four years of Conservative Government, the personal income tax of a working poor family went up by 60 per cent; those of a middle-income family went up by 17 per cent; while those of an upper income family went down by 6 per cent.

Some Hon. Members: Shame!

Mr. MacLaren: During the past four years there have been major increases in taxes. As a result of this Budget, an average income earner will pay $700 more in taxes annually. This means that the same family is now paying $2,000 more in taxes since the Conservative Government was elected.

With this kind of record, with this piling of tax upon tax, I can well understand why the Minister of Finance did not repeat in this Budget his 1984 election pledge that he would not raise taxes. The third objective of the Government: its third failure.

The Minister has cut government spending and has increased taxes. The Minister is predicting a slowdown in the economy and a rise in both the inflation rate and the level of unemployment. That is a recipe for recession. The Government cannot at the same time reduce its spending, increase taxes, and raise interest rates and hope that somehow the economy will continue to grow this year by 3 per cent.

Real interest rates are too high. They are now at a level where they themselves contribute to inflationary pressures. Interest rates are now so high that they are a major reason why the deficit is a problem. The problem of the deficit, however, does not arise from the fact that the Government has spent too much on social programs, regional development, education, housing and training. It arises from the fact that through government inaction interest rates today are too high.

The Bank of Canada, sensitive to any portents of inflation, has steadily raised interest rates for the past two years in an effort to lessen inflationary pressures which, as the provincial Premiers have repeatedly pointed out, were and still are mainly generated in central Canada. In the absence of any fiscal leadership from the Government, monetary policy has been left as the single crude tool to counter possible inflation in an economy already characterized by widespread differences in levels of unemployment.

Real interest rates are now higher than they have been in five years. There is little evidence, after two years, that higher and higher rates are in fact countering inflationary pressures. On the contrary, higher interest rates can actually increase inflation in high growth areas such as Toronto and Vancouver.

The Government acts as if somehow it had nothing to do with high interest rates, that they are the fault of undefined international pressures or possibly of the Governor of the Bank of Canada. Who is ultimately responsible for high interest rates in Canada? It is not foreign countries. It is not the Governor of the Bank of Canada. Ultimately, it is the Government itself. The people of Canada know that. They are not fooled by the Government's portrayal of itself as an innocent bystander who has been run over by a bus.

The Government has so driven up interest rates that they now stand two percentage points above those of the United States. A recent report of the Canadian Labour Market and Productivity Centre urged rightly that "the spread between Canadian and U.S. interest rates has been excessive, reducing our competitiveness. The result has been slower employment growth and more difficult adjustment to change. Part of the solution is an interest rate policy appropriate for full employment. This requires a recognition—that control of inflation cannot be the sole objective guiding interest rate policies".

• (1320)

Another result of the Government's tight money policy is that the United States and other foreign countries and other foreign funds, have come to Canada seeking higher returns than they would earn at home. In doing so the foreign lenders have bought Canadian dollars. This means that the exchange rate of the Canadian dollar has become less stable, more vulnerable to decisions made outside Canada.

Canada's trade performance has been adversely affected by the appreciation of the Canadian dollar as confirmed by recent merchandise trade figures which show that our monthly trade surplus tumbled in February to its lowest level in nearly a year.

With a high accumulated debt, the Government's financial planning and its Budget has become too sensitive to interest rates. A straight-jacket has been put on programs that should be available to assist Canadians. The Government itself recognized this in 1984 when it announced that the high level of interest payments "limits a Government's ability to meet priority needs".

Four years later, having made no real progress in reducing its deficit, all the Government can find to say now is that these same high interest payments: "put pressure on the Government's ability to meet other priorities".

This is something that they said four years ago and they are saying the same thing today. That is exactly what the Government said four years ago. In short, the Government admits that it recognized a problem then, but it did nothing about it. It now declares in its Budget that the Canadian people must pay for its ineptitude and its profligacy.

Some Hon. Members: Hear, hear!

Mr. MacLaren: The high interest rate policy the Government is pursuing has had additional unfortunate social results. Higher income Canadians have been the beneficiaries of higher interest rates. The affluent, the *rentiers*, are the inevitable and invisible winners in the high interest rate stakes. There is, in fact, a regressive redistribution of income when high interest rates are imposed by the Government. Net savers, that is high income people, receive the earnings of net borrowers, generally lower income people. Is it fair to transfer money from the poor to the rich? Is that what the Government means when it says that it will be fair to all Canadians?

Instead of these and other contradictions in yesterday's Budget, what Canada needs today is a new mix, a new balance between taxation and fiscal policy. This balance cannot be reached overnight. It takes time. The process should have begun four years ago. It did not. Now it has become imperative. It must begin by a reduction in interest rates.

The Governor of the Bank of Canada hinted in his recent annual report that should the Government decide to control its spending, he would consider reducing interest rates. To avoid a recession, the Government should now deliver and reduce interest rates. The sooner the better.

The provincial Premiers are not the only ones to call for a new mix between fiscal and monetary policy. In its annual review, the Economic Council concluded "the current mix of monetary and fiscal policy, because of its undue reliance on monetary restraint, that is to say on interest rates, has adverse implication for the economy and especially for unemployment, regional disparities, the amount of the public debt investment levels and hence productivity". We fully agree with the council's statement. That is not the only way available to the Government to carry out its oft repeated promise to put its own fiscal house in order.

When we speak of putting the fiscal house in order, why does not the Government, for example, redirect to people some of the billions of dollars that businesses now receive through grants, subsidies and tax expenditures? Corporations receive more today through subsidies and tax expenditures than they pay in income tax. In 1987 alone businesses received almost $9 billion in subsidies and several more billions of dollars in tax expenditures. On the other hand, businesses pay some $11 to $12 billion in income tax. Surely this problem could have been addressed.

Why does the Government not respect its own earlier commitment and increase the share of taxes paid by corporations, including those profitable corporations which today pay no taxes at all? The share of taxes paid by corporations has declined since the Conservative Government came to office in 1984. Some 25 years ago, corporate income taxes accounted for 20 per cent of all government revenue. This year, in spite of record profits, corporate taxes account for only 12 per cent.

As part of phase one of its so-called tax reform, the Government indicated its intention to emulate the United States and to shift more of the tax burden to corporations. However there is still no evidence that this has been the case. The Government itself forecasted that its tax measures of 1987 would add a half billion dollars in corporate tax revenue. In fact, despite strong growth in corporate profits, corporate tax revenues have on the contrary declined. Corporate tax revenues are running about 8 per cent below last year's levels.

The share of corporations has been reduced over the last few years partly through the use of losses, credits, deductions accumulated during the last recession. Account must be taken of the tax systems of other countries against which our corporations must compete. The integrity of a self-compliance tax system is undermined when Canadians see profits of corporations going up and corporate taxes going down. The Government failed during the past four years, and again in this Budget, to address a basic fiscal problem.

Why does the Government not follow the advice of the Auditor General and improve the collection of taxes owed to the Government? The Auditor General has reported that efficiency in tax collection has so decreased over the last five years that the revenue shortfall now amounts to about one-half billion dollars. The Government has increased taxes yet again, but it cannot even collect what it is already owed. How can the Government explain that the volume of write-offs at Revenue Canada has jumped from some $100 million in 1984-85 to more than $600 million in 1986-87?

There are many, many other examples of government mismanagement large and small. Why, for instance, did the Government spend $90 million of taxpayers' money on advertising in 1988 to promote its own programs, 38 per cent more than one year ago? Was the Minister of Finance not preaching restraint? Restraint, yes, but not during an election year.

Canadians did not elect a Government supposedly pledged to fiscal restraint only to find it building a new prison in the Prime Minister's constituency or, as the Auditor General reported, building roads to nowhere or paying for an extravagant energy book complete with pictures of the former Minister of Energy. Is that what the Minister of Finance means by putting the fiscal house in order? Are those the priorities of a Government that now says it cannot find the money to help finance the education of our native people?

Some Hon. Members: Shame, shame!

Mr. MacLaren: There are many ways large and small to improve government management to consolidate the revenue base of the Government which do not require the Government to cut basic programs to Canadians. If the Government had chosen some or all of these measures, we would have had a better balance today between monetary and fiscal policy. The Minister of Finance himself has estimated that an interest rate reduction of one percentage point reduces the debt charges by $1.6 billion in the first year, rising to more than $3 billion after four years. Yet as I have noted, his mix of spending and interest rates continues to be wrong.

• (1330)

All Canadians will remember the Conservative Government's $17 billion of pre-election and election promises. Amongst that deluge of election promises, Canadians will also recall the Minister of Finance stating: "Everything we have announced is within the spending budget that I set out in February of 1988. The costs would be zero".

Now, five months later, the Minister has suddenly discovered that what he called "spending commitments" would not in fact be zero. Now he says that they need to be reviewed or, better still, forgotten altogether.

His explanation is that the Government's promises need to be re-examined because interest rates have unexpectedly risen. But who sets interest rates in Canada? It is ultimately the Government itself. That being so, it is quite remarkable that somehow the Minister did not know that interest rates had been going up for two years. He apparently did not know that the Government's election promises would cost ever more money, or would have to be withdrawn altogether once the election campaign was over.

The House may recall that the Minister of Finance based his former fiscal plan on an interest rate of 7.8 per cent in 1989. But even as he did so the Bank of Canada, with his full agreement, was increasing interest rates. When the Minister tabled his last Budget they were already 8.5 per cent. They reached 10.5 per cent when the election was called and now they are nearing 13 per cent. Either the Minister of Finance was dissembling when he joined in making all those promises, or he simply cannot count.

It is preposterous for the Minister of Finance to leave the impression that the Budget problem only appeared after the election. Even if he himself did not know of it, his officials warned him so during the campaign, but the Minister subsequently denied the report of his own Department.

The Minister of Finance knew when these election promises were made that they would never be honoured. He knew, but nevertheless let them be made. The Minister misled Canadians during the campaign, the same Minister who during the campaign repeatedly called the Leader of the Opposition (Mr. Turner) a liar.

During the campaign, and over the last year, why did we not hear the Minister of Finance admitting to Canadians that there was a debt problem? Why during the past year did the Minister consistently present a rosy picture of the fiscal situation? Why was he saying that he had, "achieved this record of deficit reduction with a new disciplined approach to the management of Government and its expenditures", when quite clearly he had not? Why did he deliver one message prior to the election and a very different one immediately afterward?

The fiscal strait-jacket in which the Government has now placed all Canadians seems to have come as a surprise to the Minister. He suddenly finds that the cupboard is bare and the Government's promises are worth no more than most Canadians suspected they were when they first heard them.

During the recent election campaign *The Globe and Mail* was at least right when it said:

> Failure to be frank will store up nasty political surprises when the public discovers the dirty secret about our finances. But that will be after the election.

The Government has decided to go it alone with its changes to the federal sales tax, having failed completely to reach any consensus with the provinces. Most of Canada will now face a second sales tax. The result will almost certainly be a significant increase in inflation, coupled with a reduction in disposable income for those Canadians whose income is already under attack by this Budget.

The Government has said that Canadians in greatest need will not suffer as a result of this Budget, yet a consumption tax is the most regressive of all taxes. Even worse, the Government has now changed the meaning of "revenue neutral", a phrase of which it is much enamoured, by greatly increasing the sales tax revenue before introducing the new goods and services sales tax.

We have been told repeatedly that interest rates are high in order to save us from inflation. Now the Government plans to introduce a tax on virtually every dollar spent in this country. The Minister himself has acknowledged that the introduction of the goods and services sales tax will increase the inflation rate by 3 per cent. Unless the Government does the obviously sensible thing and abandons its present monetary policy, interest rates are going to climb further still.

Small business owners have good reason to be worried. Already burdened with increased costs as a result of high interest rates, they now face the nightmare of more paper work. The resulting increase in work for accountants will be offset by an increase in small business failures.

The unanswered questions about the proposed goods and services tax are almost endless. What will the tax credit be, and to whom will it be paid? What assistance will be provided small business and the self-employed in administering this new tax? How will the new tax affect the different regions of Canada?

We on this side of the House do not support hidden tax increases to generate new dollars to finance deficit reduction. An opportunity for real reform has been missed, and Canadians who can least afford to pay will suffer.

Regional development has always been fundamental to the Liberal view of the Canadian federation. Following the 1981-82 recession, one would have hoped that the regions would have benefited from the economic recovery as much as central Canada. But under the Conservative Government this has not been the case. While Ontario's unemployment rate is lower today than it was before the recession, the unemployment rate in the rest of the country is, on average, higher than it was.

Why is unemployment so high in many regions of Canada? Structural factors are involved, but the wide gap in unemployment levels can better be explained by some of the Government's policies.

First among them is the high interest rate policy. With unemployment figures at 15 per cent in Newfoundland, 13 per cent in Prince Edward Island, 12 per cent in New Brunswick, it is readily understandable why provincial Premiers consider unemployment a greater problem than the 3 per cent inflation rate in St. John's or Charlottetown or the 4 per cent rate in Halifax.

The Government has accepted the advice of the Governor of the Bank of Canada that a single national interest rate is the only valid monetary policy. But it has ignored completely his advice that fiscal policy can offset some of the adverse effects of a national monetary policy. The Bank of Canada will not act. The Government also will not act. So the less affluent regions will now be hit twice. They must pay interest rates which bear little relationship to local circumstances and at the same time see the Government cutting drastically regional development program.

If the Governor of the Bank of Canada and the Minister of Finance both take a hands-off approach to regional development, who will help our regions? Whose job is it? Does the Minister think that further privatization, deregulation, and cuts to VIA Rail will help those regions, will help unify our country?

Are we not to express some caring for each other amongst the regions of Canada? Or are we seeing a Government, preoccupied with its free trade deal with the United States, preparing itself, consciously or subconsciously, for the day when the United States condemns Canada's regional development programs as "trade distorting subsidies"? Does the Government believe that it is sidestepping that problem by reducing or eliminating the regional development programs now, before the negotiations with the United States begin?

• (1340)

At the time of the last election, there were warnings that the Free Trade Agreement with the United States posed a serious threat to Canada's regional development. Despite repeated government denials, economic development assistance for those regions with the greatest need is indeed now being drastically reduced.

Who will be the most seriously hurt by those cuts? It will be those regions which are already suffering economic distress—Cape Breton, the Gaspé Peninsula, towns in the interior of British Columbia. The severity of the impact of those cuts will of course vary, but the fact remains that the local impact of some cuts, even minor cuts, will be out of all proportion to their budgetary magnitude.

For example, reductions in funding for economic regional development in the fisheries and forestry sectors have the potential to send tremors through the entire economies of several resource based provinces. Is this what the Government meant when it said that it would be fair to all Canadians? Is this what the Government meant when it spoke of sharing?

The Minister of Finance is dancing the deficit shuffle. Determined to create the appearance of having finally made some real reductions in the Government's deficit, the Minister has moved to reduce his own deficit by sending the bill to the provinces for payment.

In the important domain of higher education, what else other than once more cutting the transfer payments to the provinces has the Government done? By its earlier partial deindexation of transfer payments to the provinces, the Government has already chopped its support for higher education. Now more cuts are to be added to the $8 billion in reductions that will have been made by the Government by 1992.

Has the Government, in cutting funding for education, concluded that our colleges and universities are overfunded? It is a widely recognized fact that our higher education system is underfunded. A recent series of articles in a Canadian newspaper about our universities used the words "a disheartening look at the erosion of the system". The problem here is the erosion in the Established Programs Financing formula that dictates how post-secondary education is funded. It has proven to be inadequate. It is a block funding formula that does not provide incentives for the provinces to increase their grants to colleges and universities. Instead of trying to solve that problem with the provinces, to negotiate with the provinces a better financing formula, the Government takes the easy route and simply cuts it support.

Our national health care system is one of the things of which we Canadians are most proud. However, the system has been under a great deal of strain. Underfunding of health care has led to crowded emergency wards, shortages of hospital beds and long waits for non-emergency surgery. As our population ages, the demands on our health care system increase. Concern for the future is growing as it becomes evident that the system is having difficulty meeting even today's medical needs.

In the face of this reality, it is irresponsible for the Minister of Finance to cut payments for health care. The provinces, as a result of his Budget, will be forced either to find more money through increased taxes or to reduce their health services to offset the federal cuts.

Is the Minister unaware of the pressures on our health care system? Does the Minister believe that the pressures are not real, that they are only imagined? Has the Minister of National Health and Welfare not had anything to say in defence of the health care system in Canada? Has the Government in fact decided to shift responsibility for the problems in the system to the provinces while at the same time making those same problems worse?

In its last annual review, the Economic Council proposed new targets for the Canadian economy for the next five years. The council pointed out the need to achieve a strong performance in productivity as a fundamental condition to Canada's success in global trade. The objective should be to increase productivity at an annual rate of 1.5 per cent to 2 per cent. Current indications, however, suggest that as a result of the Government's neglect productivity growth will be less than 1 per cent, .7 per cent, over the next four years. If Canadians want to compete successfully in international markets, such a sluggish rate of productivity growth is clearly not enough.

Once again, the Government has been pursuing contradictory objectives. On the one hand, it champions free trade with the United States in the name of greater competitiveness, yet on the other hand, it pursues policies that diminish our international competitiveness.

How can productivity be increased? Although it is true that the role of government in the economy is on a short-term basis to ensure stable growth without inflation, its longer term obligation is to invest in the human resources and the physical infrastructure of our country. Training, retraining and education must be improved. Adequate research and development incentives must be introduced. Infrastructures must be kept in good working order. By all these tests, this Budget is once again a failure.

Small and medium sized companies in Canada, typically Canadian owned companies, have had difficulty in obtaining venture capital. This has become more of a problem following the stock market crash of 1987. Figures now indicate that equity financing dropped dramatically in 1988. Small and medium sized firms are the prime victims and now, as a result of this Budget, small business will find financing even more difficult.

The lack of venture capital is all the more disturbing because our economy is in a period of transformation. Canada is moving away from its traditional economic base, natural resources and megaprojects, toward a much more complex structure based on the development of systems and software, the applications of technology and human resources. Not only does this new stage of economic development absorb more money, but it also requires the use of intangible resources such as intellectual property, production techniques and management skills that are more difficult to translate into simple numbers. As a result, financial institutions and investors are more hesitant to invest in new enterprises.

Why did the Government fail to take the opportunity of this Budget to counter this problem? Why has it not promoted the establishment of employee profit sharing and stock ownership plans? Such measures would not only help firms gain access to equity financing but would also encourage closer co-operation between employees and employers, thereby contributing to increased productivity and employment opportunities within firms.

The principle of gain sharing is in harmony with the Liberal Party's economic philosophy which believes that concertation between employers and employees is preferable to confrontation. Gain sharing is also in accord with Liberal tradition. In 1984, the then Liberal Minister of Finance proposed measures to promote the establishment of what was then called a registered employee profit participation plan. Following the election of the Conservative Government in 1984, the proposal was not implemented. Governments need to be visionary and to have a long-term plan to implement such productive measures. This Government clearly has none.

In research and development, in 1984, the Prime Minister promised to double Canadian spending on research and development by the end of his first mandate. No progress has been made. In fact, Canada's spending on research and development has gone down. As the C. D. Howe Institute has pointed out, Canada's industrial research and development is concentrated in a small number of companies. The Economic Council notes that the problem goes even deeper. "Canada is well down the list of industrial nations in terms of patent activity".

• (1350)

What do we find in the Budget to improve Canada's lagging performance in research and development in the face of the challenge of the Canada-U.S. Free Trade Agreement and global markets? Again, nothing.

The Government promised to help Canadians train and retrain for a global economy. It now proposes to do so within the Unemployment Insurance Program. The cost of such training and retraining will now be paid from the insurance premiums of employers and employees. The Government has taken $1.9 billion from general revenue and added it to the premium costs that employers and employees will now have to pay.

I have difficulty in understanding the rationale of the Government for these changes. Contrary to its previous commitments, these changes will move the unemployment insurance system further away from the concept of insurance. Previous Governments recognized that the extended regional benefits were in fact a form of social program that was delivered as an addition to the basic unemployment insurance system. Because of that, its primary financing came from taxes levied in a progressive manner on all Canadians. Workers were to pay for the basic insurance system, but all Canadians were to share in the cost of the social contract that that program provided.

Yesterday's decision and yesterday's Budget to reduce the Government's contribution to unemployment insurance departs from that concept. It departs from it without offering any reason other than raising taxes in a hidden way. That decision will not make our tax system any fairer.

The Minister knows that employee premiums, when used to finance social programs, are a regressive form of taxation. Lower and middle-income workers pay proportionately more than higher-income workers for the unemployment insurance account. People earning under $30,000 annually now pay almost 60 per cent of the employee contributions to the unemployment insurance account. All those Canadians who have insurable incomes, most of whom are high-income earners, do not pay for it at all. Is that fair? Is that what the Government means when it speaks of being fair to all Canadians? This hidden and unfair tax increase is to be added to the regressive sales tax that the Government intends to introduce, as well as to the unfair tax rates and the tax brackets of the personal income tax system.

In 1969, the Pearson Commission recommended that our official development assistance, the aid provided to the poorest countries, should be no less than .7 per cent of our Gross Domestic Product. This target was to be reached by 1990. Most industrial countries regard it as a benchmark.

However, upon assuming office in 1984 the Conservative Government decided to review official development assistance and reconsider the pace at which it would proceed toward the goal. The Government has announced that the target will now not be reached before the year 2000, ten years later than originally planned, calling the goal itself into question.

In yesterday's Budget we learned that this objective will be further delayed. Canada will now spend only .4 per cent of its Gross Domestic Product on official development assistance. Canada will now reduce its deficit at the expense of the poorest countries, whatever the negative impact these delays and cuts will have on both developing countries and the international status of Canada.

In an interdependent world economy, poverty anywhere robs Canadians of export markets and jobs. The delays and cuts are short-sighted. If one of the richest countries of the world cannot find money during a period of prosperity to help the poorest ones, what kind of moral authority do we have, as the privileged few, to ask Brazil, Mexico, Argentina or any other country to implement social and economic reforms to help solve their problems? Democracies are fragile in those countries. The bitter pill that we are forcing upon them has already caused social disruption. Nothing good can come out of these short-sighted delays and cuts in our official development assistance.

Cuts do not only affect the developing countries. They also hurt Canada's international reputation. Official development assistance enhances Canada's bilateral and multilateral relations, while providing an effective vehicle for further expression of the humanitarian beliefs shared by all Canadians. Furthermore, the reductions announced by the Government will undermine Canada's traditional role as a middle power in multilateral forums such as the United Nations, the Commonwealth, and *la Francophonie*, a position already weakened by the Government's poor record in external relations and its obsession with the Free Trade Agreement with the United States.

At the beginning of this brief review of the Budget and some of its implications, I asked the Government whether it was fair to all Canadians. In an even more fundamental way, it is an unfair Budget. This Government, through its inaction over the last four prosperous years, has placed itself in a fiscal trap. It has now had to choose. It has had to show its true colours.

We can now see that the values behind this Budget are not the values of most Canadians. They express the values of a Government bent on emphasizing market forces over all other Canadian values. They help to clear the way toward implementation of the Government's goal of economic integration with the United States.

Some Hon. Members: Shame.

Mr. MacLaren: Mr. Speaker, in Canada the pursuit of private wealth is balanced by a widespread recognition of the public good. Canadians define themselves to a notable degree by their collective programs which they themselves have created and financed to help each other, whether individually or regionally.

During the recent election campaign, Canadians showed every sign that they do not want that sense of caring for each other to be cut in the name of harmonization with the United States. Yet here we have a Government that in its deficit-reduction measures is moving Canada further along a path paralleling that of the United States.

That is what we Liberals meant when we spoke of erosion of sovereignty. Such harmonization with the United States is not the goal of most Canadians. They want their Government's priorities to be on the environment, on the value of a compassionate society, on safe and well run towns and cities, on the promotion of Canadian culture, on a well educated citizenry, and on equal justice for all.

• (1400)

Canadians will look in vain for such priorities in this negative Budget. This Budget fails the test of fairness affirming Canadian values and traditions. That is the basic reason that I move, seconded by the Hon. Member for Windsor West (Mr. Gray):

> That the motion be amended by deleting all the words after the word "that" and by substituting the following therefor:
>
> "this House regrets that the Government has imposed unfair taxes and has cut vital programs, including child care, regional development and agriculture, in an effort to reduce its annual deficit, despite the fact that this effort has been rendered futile by the Government's ill-conceived high interest rate policy; and
>
> That this House condemns the Government for pursuing these policies that fall most heavily upon lower and middle income Canadians and that are certain to hinder the further development of the Canadian economy.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Chair has heard the terms of the amendment and finds it to be in order.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I shall break a bit of precedent and move our subamendment to the Liberal amendment and then you can take a look at it.

I move, seconded by the Hon. Member from Prince Albert—Churchill River (Mr. Funk):

> That the amendment be amended by adding the following words:
>
> "and that this House further condemns the Government
>
> (1) for imposing the greatest new tax burden on Canadian families in recent times;
>
> (2) for reneging on its commitments to develop regional equality;
>
> (3) for continuing and increasing the unfairness of the tax system;
>
> (4) for eroding the universality of vital social programs".

An Hon. Member: He is not in his right seat.

Mr. Nystrom: The Hon. Member from Prince Albert—Churchill River will be in his seat long before I finish my speech and then he will officially second my amendment.

We have before us today a very interesting Budget, a Budget that was brought in by the media in the greatest tax leak that we have ever seen in the history of this country. I suggest that this Budget will be known historically for its substantive parts or details rather than for the way it was released.

I suggest it will be known for two things. First, it will be known for what I call the big tax attack of the Conservative Party, the Tory tax attack. I have never in my life seen as big a tax grab by any Government on the ordinary people of Canada. Perhaps it is no wonder when we look across the way at these empty benches. It is millionaire's row. Millionaire after millionaire sit in the front benches of the Conservative Government, and that is why we have the biggest tax attack in the history of this country on ordinary Canadians.

Some Hon. Members: Hear, hear!

Mr. Nystrom: There will be $8 billion in personal taxes by 1990. It is tax, tax, tax. The old saying that my grandfather told me many years ago is that Tory times were tough times.

Some Hon. Members: Oh, oh!

Mr. Nystrom: Those were the days when the Member from Assiniboia, the great red Tory, was a sympathizer of the CCF and Tommy Douglas. He knows of what I speak. This is a major attack on ordinary people. It is a pick-pocket type of Budget in attacking ordinary people.

Second, this Budget will go down as stage two of the real Conservative agenda, the Conservative Party and big business alliance in this country. Stage one is the Free Trade Agreement and stage two is to change this country fundamentally into one where corporations and the market dominates, where the rich get richer and the poor get poorer. The word deficit is nothing more than a code word to cut back on social programs, to end universality. It is nothing more than a code word to reduce the role of government on our society. It is nothing more than a code word to reduce the taxes on corporations and nothing more than a code word to increase taxes on ordinary Canadians.

What we are seeing now is a real Conservative agenda of privatization and deregulation to harmonize our programs with those in the United States. This Budget marks a move away from a unique Canadian life where we have unique social programs, a mixed economy, to a vision where social programs will become welfare programs and a mixed economy will eventually become the corporate economy.

What is the result of this Budget? I suggest the result will in all likelihood be to induce a recession. The Conservatives are predicting in the Budget documents an unemployment rate in 1990 of 8.5 per cent. The Minister across the way knows that. What we have here are cut-backs and tax increases. We will have stagflation. In fact, we will have a repeat of 1981-82. What we have is a clone of Allan MacEachen once again. In 1981 we had a tremendous increase in interest rates. In 1982 we had a very restrictive Budget and a great recession from which many parts of this country have still not recovered.

Finally, we cannot trust the Prime Minister any more. Do you remember, Mr. Speaker, that in the campaign he went around saying that social programs were a sacred trust? We cannot trust the Prime Minister.

Mr. Nunziata: You never could.

Mr. Nystrom: Do you remember, Mr. Speaker, that in the campaign he talked about the deficit not really being a serious problem and suddenly the deficit is the only problem. We cannot trust the Prime Minister of Canada.

[*Translation*]

Mr. Speaker, we now have two major themes in the country's Budget. First, it's a big Tory tax grab. It is the biggest tax grab in the history of our country. This is a real pickpocket Budget for the average citizen. I am not kidding! And second, and I know the Hon. Member for Montreal will agree—

Mrs. Duplessis: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Louis-Hébert (Mrs. Duplessis), on a point of order.

Mrs. Duplessis: Mr. Speaker, the Hon. Member, who may not be very familiar with the French language, just used the terms: *un budget de pickpockets*. Everybody knows that what a person really means when he says that is: a budget of thieves. So I would ask the Hon. Member to apologize and to withdraw what he said.

[*English*]

Mr. Deputy Speaker: I ask the Member not to use the word "pickpocket", although I do not rule the word unparliamentary.

An Hon. Member: Say Robin Hood and his merry gang, then.

[*Translation*]

Mr. Nystrom: Perhaps I should say a Robin Hood Budget, Mr. Speaker, because Robin Hood stole from the rich and gave to the poor. In this federal Budget, a lot of money is being taken out of the pockets of Canada's poor and going into the pockets of big corporations and wealthy Canadians. I will now give the Hon. Member from Québec an example of what I mean when I say this is a real pickpocket Budget for the average Canadian citizen.

• (1410)

[*English*]

Mr. Speaker, some $8 billion is going to come out of the pockets of ordinary Canadians in the next year—

Some Hon. Members: Shame. Shame.

Mr. Nystrom: —in excise taxes, sales taxes, unemployment insurance—

An Hon. Member: Shame on you.

Mr. Nystrom: —income tax. I would like to have the Member from Quebec listen to what I say here. I know the Member from Montreal is getting very excited. I can hear her head rattling all the way from here.

I will give you the example of an ordinary family. Under this Conservative Budget, an ordinary family of four with two children, where both the mother and father work, having an hypothetical salary of $44,000 a year, would see an increase in the surtax of 2 per cent. That is an increase from 3 per cent to 5 per cent. That is an increase in a year of $85. Some 13.5 million Canadians will have an increase in their surtax next year.

Secondly, there will be an increase in the cigarette and alcohol tax of $100 for that ordinary family. There will be an increase in unemployment insurance premiums of $132 for that ordinary family. There will be an increase in the gas tax of $120 for the ordinary family. There will be an increase in the sales tax of $273. So the ordinary family with two children, making $44,000 a year, if they are the ordinary, average Canadian family that consumes an average amount of cigarettes and alcohol, or drives a car and buys the ordinary amount of food, clothing and things like that for the kids, and goes to the odd movie, the increase in tax will be some $710 a year.

Some Hon. Members: Shame. Shame.

Mr. Nystrom: Yes, $710 a year. That is one of the biggest tax hikes we have ever seen in the history of this country for ordinary people.

An Hon. Member: What next!

Mr. Nystrom: As if that was not enough—

An Hon. Member: Is there more?

Mr. Nystrom: All of a sudden they come along with a hammer, don't they? They announce in this Budget there is going to be a national sales tax of some 9 per cent. That sales tax of 9 per cent will cost about $1,000 for that same family earning $44,000 a year. That is a tax increase of $1700 a year. If that is not the biggest tax hike in the history of this country, then we have never seen anything like it before.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Members across the way get a little sensitive because I am going to tell their constituents right now that in January of 1991, if they want to take a taxi they are going to be taxed on it. If they want to have a haircut, they are going to be taxed on it by the Conservative Party at 9 per cent. If they want to stop and buy a Lotto ticket, they are going to be taxed on it by 9 per cent. If they want to take their kids to a movie, they are going to be taxed on it. If they want to take their kids and enrol them in dancing lessons, they are going to be taxed on it. If they want to take their kids and put them in music lessons, they are going to be taxed on it.

Some Hon. Members: Shame. Shame.

Mr. Nystrom: If they want to buy a house, they are going to be taxed on it.

Some Hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, I have here a copy of a brief from the Canadian Real Estate Association, March, 1989. They are great friends of millionaire's row across the way. They say at page 42 that in 1988 they expect the price of a house to go up by $7,800, and in Toronto the price of a house to go up by some $13,000.

Mr. Speaker, no matter what you do with the Conservative Party, you are going to be taxed. In fact, if you vote Conservative you are going to be taxed. About the only thing that is not taxed in this House is the hot air that comes from across the way.

An Hon. Member: Hear, hear! It should be.

[*Translation*]

Mr. Nystrom: Mr. Speaker, the federal sales tax will cost the average family $1,000 annually. This is a 9 per cent tax and it will be an inflationary, a very inflationary tax. The Minister of Finance (Mr. Wilson) said that the tax would raise the inflation rate by 3 per cent. We now have an inflation rate of 4.6 per cent, and with the federal sales tax, Mr. Speaker, we will have an inflation rate of between 7.6 and 8 per cent.

Mr. Speaker, this will add another $10 billion to the federal Government's Budget. I know that if the rate of inflation goes up in this country, the Governor of the Bank of Canada, Mr. Crow, will decide to raise the bank rate again. That will make things even harder for the average family.

Mr. Speaker, that is why I said that this federal Budget will put a heavy tax burden on the average family.

[*English*]

Mr. Speaker, when you look at the Budget, you find out that the friends of the Prime Minister (Mr. Mulroney) and the friends of the Minister of Finance (Mr. Wilson) across the way, do not get hit very hard in extra taxes. I speak here of the big companies and the huge corporations in Canada.

[*Translation*]

There was an increase of only $1 billion for big Canadian corporations. With this federal Budget, more than 80,000 profitable companies still won't pay taxes. Explain that to a poor person in Chicoutimi, living on an income of $15,000, or to a family in Saskatchewan with an income of $18,000. Where does the Budget brought down by the Minister of Finance leave us? It leave us with more than 80,000 profitable companies that do not pay tax at all.

Mr. Speaker, that is why I say this is the

[*English*]

biggest tax grab in the history of this country on the ordinary people of Canada. That is Conservative justice, that has always been Conservative justice. In fact, if you go back to 1984 and look at handouts to big companies in this country, we find out that one per cent of our Gross National Product went out to large companies in Canada. We find in 1989 it has gone up to 1.6 per cent of the Gross National Product. That is an increase of 60 per cent of the Gross National Product that goes out in grants, write-offs, hand-outs and welfare to the huge corporations in Canada. I say the time has come for the ordinary Canadian people to realize that and to realize when they are being ripped off by the Party across the way.

In addition, we still have rich people that are not paying taxes. In 1986, 6,250 Canadians with an income of over $50,000 paid no tax at all.

An Hon. Member: Shame. Shame.

[*Translation*]

Mr. Speaker, as somebody in Montreal told me a few days ago, there is a Santa Claus. As far as the Tories are concerned, there is a Santa Claus for the rich and for big Canadian corporations, but not for the rest of the country.

[*English*]

Mr. Speaker, that is why I said earlier that this Budget gives us the big tax grab, the Tory tax grab, the biggest tax heist in the history of this country. But I am not surprised. When I go back over the record of the Conservative Party from 1984, I find that for the average family, that is, a poor family in this country earning $24,000 a year, the tax increase went up. They have already had tax increases of 44 per cent. For a middle income family earning $49,000 a year, the tax increase

was some 10.2 per cent. For an upper income family earning $122,000 a year, guess what happened? There was a tax reduction of some 6.4 per cent. Do they call this tax justice, do they call this tax fairness? They say they represent ordinary Canadians. That is why I am saying it is the big tax attack of the Conservative Party of Canada.

On the other hand, where are the major increases in corporate taxes? On the other hand, we now have deferred taxes by corporations of $36 billion in this country. Why is there not interest on the deferred tax when with interest on the deferred tax of $36 billion at 10 per cent, we would have an extra $3.6 billion to help pay down the national debt—

Some Hon. Members: Oh, oh!

Mr. Nystrom: —put moneys into day care, to cut taxes for ordinary Canadians. I ask you, where is the tax justice, where is the tax fairness?

Why is there not a merger tax, a special merger tax, when you have two big companies that merge in this country for no known purpose except to make a profit? Why is there not a merger tax that says that if the companies are going to merge they can only merge if there is significant benefit for Canadians and, if not, there is a serious merger tax? Why is there not a special tax on companies to help clean up the environment in Canada? Canadian people want that kind of a tax and there was not one in the Budget.

An Hon. Member: Tax, tax, tax.

Mr. Nystrom: This Budget is nothing but tax, tax, tax, as one of the Ministers himself has said. It is the biggest tax hike there is in the country for ordinary Canadians.

[*Translation*]

It was always like that with the Conservative Party. I still remember my grandparents and my father saying that Western Canada had been through a severe depression in the 1930s. At the time they had a Conservative Government led by Prime Minister Bennett here in Ottawa, and as it happened the country experienced the greatest depression in Canadian history. Lots of people out of work, lots of taxes, lots of problems, and the men used to take the train from one city to the next in search of employment. I know that the Hon. Member for Edmonton wrote a book in which he refers to the great depression, but that was due in part to the Conservative Party of Prime Minister Bennett, and now we find ourselves in the very same situation. Again we have a Conservative Government. Again we have a Budget where priority No. 1 is spelt taxes, taxes, nothing but taxes. Just more of the same!

Mr. Speaker, time has come to change Government, time has come to take action in this country, time has come to elect a Social Democrat Government for ordinary people.

• (1420)

[*English*]

I turn now to social programs. The second thing that really strikes me in the Budget after taxation is the attack on social programs by the Prime Minister and his colleagues. In terms of universality it is the beginning of the end. They brought in what is called a claw-back procedure in the tax system, a special tax on family allowance.

Mr. Kilgour: Against the rich!

Mr. Nystrom: It is a special tax on old age pensions. Thousands of people will now lose their family allowances and their old age pensions.

Mr. McDermid: It is 4 per cent of senior citizens all earning over $75,000.

Mr. Riis: That is this year. Wait for next year when it will be 10 per cent.

Mr. Nystrom: In fact, 132,000 senior citizens will be affected. Some 535,000 people receiving family allowance will be affected. That will affect women because women receive the family allowance cheques, not the men. I see three or four problems with that.

I ask the Conservative Party why people with children who earn the same revenue as those who do not will be taxed at a higher rate. It is exactly what happens when family allowance is taxed in a different way.

Why is there a special tax on social income? What is the difference between income that comes from dividends, capital gains or executive salaries? Is there something second-class about social incomes?

I turn now to the means test. Is a means test not degrading? The cut-off today for family allowance and old age pensions is $50,000. If it is $50,000 today, how many days will it be before it is a $40,000 cut-off, a $35,000 cut-off, or a $30,000 cut-off? How long will it be before a social program becomes a welfare program and we see the end of all social programs in Canada?

Some Hon. Members: Hear, hear!

Mr. Nystrom: That is the Conservative way. That is the real Conservative agenda. It is the agenda of Thomas d'Aquino and of the BCNI.

The Government is sitting where it does because big business bought the election. Big business spent millions of dollars buying the election on free trade. Now big business is calling the shots. Now the Government is implementing its agenda on social programs and cut-backs for ordinary people. It is collecting the money from the ordinary citizens of the country and not the corporations. That is the real truth about the Party across the way.

I do not expect millionaire's row out here to understand. I do not expect these wealthy Conservatives who make these policies to understand. The Minister of Finance, the Minister for International Trade and the Prime Minister do not understand the ordinary folks. I am sure that the Minister of Finance would not know a poor family if he ran into one.

I am very proud of the history of the CCF and the NDP when it comes to social programs. It was Tommy Douglas back in the 1940s who brought in a hospitalization plan. It was Tommy Douglas who brought in medicare in Canada. It was Stanley Knowles who sits at the Table and J. S. Woodsworth who are responsible for bringing in unemployment insurance and family allowances into Canada. It was our Party with David Lewis in 1972-74 that assisted on the indexation of social programs. The guiding principle for the social programs throughout history is universality. We now have a Conservative Party which is trying to end universality and destroy the social programs. I say that enough is enough.

The only time you will notice, Mr. Speaker, that the Liberals are progressive is when they are in a minority situation controlled by the CCF or controlled by the NDP. I was told this by an old friend of mine, the Hon. Member from Assiniboia.

What is the Conservative Party doing with unemployment insurance? It wants to privatize it. It wants to give the public a chance. In Saskatchewan it is called public participation. It wants the employees to pay. It wants the employers to pay. Can you imagine, Mr. Speaker, the Unemployment Insurance Commission being run by the corporations of the country? Can you imagine, Mr. Speaker, Thomas d'Aquino running the Unemployment Insurance Commission?

An Hon. Member: Scary, very scary.

Mr. McDermid: No!

Mr. Nystrom: The Hon. Member will see this happening. The real agenda is to harmonize our program with the United States. It is really the Free Trade Agreement that is calling the shots. It is really an attack on the underprivileged, the dispossessed, the unemployed and the poor. Their premiums will go up under the Conservative Party.

Mr. McDermid: What a crock!

Mr. Nystrom: It is also an attack on small business. It is also an attack on the poorer regions of the country such as Newfoundland where the people of Newfoundland and the small business of Newfoundland cannot afford to pay higher premiums under unemployment insurance. It is no wonder that a Newfoundland election was called before the Budget. If it was after the Budget there would not be a single Conservative elected in the Province of Newfoundland.

Some Hon. Members: Oh, oh!

Mr. Nystrom: There are some very excited and wealthy Torontonians across the way. They do not like to hear about ordinary people being taxed. They do not like to hear about the big tax attack of the Conservative Party. Members of the Conservative Party know that they will be socking it to ordinary Canadians, to the ordinary farmers, and to the small businesses of the country. They know that because of the reduction of transfer payments to the provinces there will be cut-backs in medical care for sick people.

Mr. McDermid: There is no reduction.

Mr. Nystrom: It is a reduction of 1 per cent.

Mr. McDermid: There is no reduction. They will be getting more money this year.

Mr. Nystrom: There is a reduction of 1 per cent in Established Programs Financing in this Budget. It is a reduction from the formula that was in place which will amount to close to $300 million this year. Next year there will be another cut in what should have been there.

I tell the Hon. Member to talk to the provinces. He should talk to his ideological soul mate, Bill Vander Zalm of British Columbia. He will tell him exactly the same thing.

Some Hon. Members: Hear, hear!

Mr. Nystrom: I noticed on the news this morning that there is only one lonely Premier who is voicing any support whatsoever for this Budget. That is dear old Grant Devine in the Province of Saskatchewan. Even Grant Devine is suffering from a great deal of lack of enthusiasm. He has about a year and a half to go before he becomes leader of the Opposition in Saskatchewan.

The unemployment insurance program is an attack on the poor. It is a tax on the poor. It is a tax on the workers.

[*Translation*]

It is the same thing with the other social programs. Mr. Speaker, I am wondering why there was not enough money in Mr. Wilson's Budget to set up a child care system. It is not there. There is no increase in the number of spaces for Canadian children. That is a serious matter, Mr. Speaker, there is no increase in that sector. There is nothing at all in terms of employment equity for women, nothing for minorities, nothing for the handicapped, nothing for all those people in the Minister of Finance's Budget.

And there are other things, Mr. Speaker. Instead of higher taxes and budget cuts for social programs.

• (1430)

[*English*]

I think, for example, of important areas like VIA Rail. I come from the riding of Yorkton—Melville. The CNR mainline comes through the City of Melville, and I remember Jean-Luc Pépin, who was the Liberal Minister of Transport back in the early 1980s—

An Hon. Member: A great Minister.

Mr. Nystrom: A great Minister, the Liberals say.

Mr. Kaplan: You didn't know when you were lucky.

Mr. Nystrom: It is time for a history lesson. When the Liberals were elected in 1980, they appointed a great friend of mine, Jean-Luc Pépin, as Minister of Transport. He would have made a great Minister of State for Cultural Affairs, Minister of Communications, Minister of Trade and things of that sort, but he knew nothing about Transport. He would not know a boxcar from a barnyard most likely. He decided to disband the transcontinental train that runs across western Canada. There was a great campaign. There were people in the New Democratic Party and the Conservative Party who, unbelievably, united in the great fight against the Liberals and Mr. Pépin to bring back the trains and to bring back VIA. Finally, because of public pressure from people like the Mayor of the City of Melville and many other local people signing petitions, Pépin was replaced as Minister of Transport and the VIA service was brought back once again.

That was right before the election of 1984. At that time the current Deputy Prime Minister (Mr. Mazankowski) said we will keep VIA Rail, we will expand VIA Rail. He said that people need the trains and will use those trains. The people believed him. The people elected him. They have re-elected him and now what do we get? In the Budget we get a cut-back of $100 million in fiscal 1989-90 for VIA Rail.

Some Hon. Members: Shame.

Mr. Nystrom: We get another cut-back of $100 million next year in VIA Rail, and the third year in VIA Rail and the fourth year and the fifth year in VIA Rail, half a billion dollars.

I ask my wealthy friends in the front bench of the Conservative Party, millionaires' row, who is going to suffer? The poor people of Atlantic Canada? Will their passenger train service be saved? You tell me whether it will or not. Will the people of Melville keep the train service that goes through Melville and Watrous, Saskatoon and Biggar and on to Edmonton? Will they keep that train? Our wealthy Toronto Minister across the way, from Brampton I believe, says well, we subsidize those people out there. Mr. Speaker, his friends on Bay Street are the most subsidized Canadians that live here today.

Some Hon. Members: Hear, hear!

Mr. Nystrom: The subsidies and handouts and welfare that go to big corporations in this country are a lot more than what goes to subsidize VIA Rail in a place like Melville or New Brunswick or Nova Scotia or British Columbia. The train is an important part of this country, in many ways the heart and soul of this country. Our Toronto Minister says it is nonsense. Well, I want to have that Toronto Minister come and talk to people on the Prairies and in Atlantic Canada. He will find that they want to keep their train and are going to fight to keep it. It is no wonder that the Conservative Party in the by-election in Alberta was rejected massively in March by the Reform Party because of insensitive policies of this sort. They do not understand western Canada.

[*Translation*]

But, Mr. Speaker, there is another attack in the Budget of the Minister of Finance, a budget reduction for Radio-Canada, the CBC.

An Hon. Member: Hear, hear.

Mr. Nystrom: He says hear, hear.

Mr. Della Noce: Yes, hear, hear.

Mr. Nystrom: The Hon. Member for Duvernay (Mr. Della Noce) says hear, hear. He is against Radio-Canada, he is against the CBC. Mr. Speaker, Radio-Canada and the CBC are a great Canadian institution which was established by the Conservative Party—his Party—a long time ago.

Mr. Speaker, next year, the budget will be cut by some 20 million dollars. Another 10 million will be cut the following year and yet another 10 million the year after. And in four years, there will be budget cuts of some 50 million dollars.

Radio-Canada and CBC are of tremendous importance for our culture and identity and for our national unity, in spit of what the Hon. Member from Duvernay (Mr. Della Noce) had to say . . .

Then, there is regional development. In Mr. Wilson's budget, regional development is cut by 400 million dollars. That is a 29 percent reduction, Mr. Speaker!

For Newfoundland, certainly not a rich province, for New-Brunswick . . .There used to be some rich people in New-Brunswick: Mr. McCain is rich. There were some, but not many, Mr. Speaker: for Prince Edward Island, Nova Scotia, Saskatchewan, Manitoba and Alberta.

Mr. Speaker, regional development is of great importance to Québec. If you compare this year's budget to last year's, you will find that regional development is cut by 29 percent. That is a lot, Mr. Speaker, in a country where unemployment is too high. In Newfoundland, the unemployment rate is 15 or 16 percent, which is too right. In Saskatchewan, where I come from, it is too high, at 8 and 9 percent. It is also too high in northern Ontario.

Mr. Speaker, what we have in fact is two Canadas: Metro Toronto where the unemployment rate is 3% and the rest of the country.

Despite all that, Mr. Speaker, regional development funding will be reduced. I know for a fact that the Liberal Members from Toronto agree that such a decision from the federal government is really not fair.

Mr. Speaker, we have to think about regional development. Can you find anything about research and development in this Budget, or in the Estimates tabled earlier today, can you find any additional estimates for regional development here, in Canada, can you? Research and development are very important for Canada, and for the future of our children. But our country spends less on this than most developed countries do.

Mr. Speaker, I repeat, it is not fair!

Mr. Deputy Speaker: Order! The Hon. Member for Rosemont (M. B. Tremblay) on a point of order.

M. Tremblay (Rosemont): Mr. Speaker, may I ask my honourable colleague to read the information about regional development in the Budget Papers, on page 71.

Mr. Deputy Speaker: I don't think that is a point of order.

[*English*]

Mr. Riis: I have a point of order. Mr. Speaker, I appreciate my hon. friend's interjection. However, he is not accurate. If he would turn to the page in front of that, he would find in fact that there is a significant decrease—

Mr. Deputy Speaker: It is not a point of order for him. It is not a point of order there neither. The Member for Yorkton—Melville. I think the Member for Rosemont and the Member for Kamloops are having a debate which I am sure they will have the time to do next week. However, today the Member for Yorkton—Melville has the floor.

Mr. Nystrom: I will refer the Member across the way to the Budget papers. The Budget itself is just a summary of what happens. If he looks in the Budget papers, he will find that the rate of increase for regional development is this country is not going up. The rate of increase is going down. That was not denied today in Question Period when the question was put by the Member from Essex.

• (1440)

I turn now to agriculture where there are cut-backs for Canadian farmers. There are cut-backs in the dairy sector as well as in the crop insurance area. There are cut-backs in rail line rehabilitation.

When we look at the Estimates that were tabled today, we see that there is a mystery in terms of the Drought Assistance Program. I know the Minister in charge of the Canadian Wheat Board is here. Perhaps he can explain to us why in today's Estimates we find an estimate for $375 million for drought assistance.

Mr. Mayer: Mr. Speaker, I rise on a point of order. The Hon. Member asks me if I would be prepared to explain. If the House would like, I would be more than happy to explain why that number is in the Estimates.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister a short explanation?

Some Hon. Members: No.

Mr. Mayer: The Hon. Member asked.

Mr. Riis: Mr. Speaker, I rise on a point of order. I do not want to misrepresent what was just done. The Minister asked for an opportunity to explain some program. He knows that each day there is an appropriate—

Mr. Mayer: He just asked.

Mr. Riis: —time to make a speech. Right now we are listening to the Hon. Member for Yorkton—Melville.

Mr. Mayer: Mr. Speaker, in all sincerity, all I need is about a minute or a minute and a half to explain why. It is in response to the Hon. Member for Yorkton—Melville that as Minister responsible for the Canadian Wheat Board I would be prepared to explain. I would be more than happy to do that if the Hon. Member would let me.

Mr. Deputy Speaker: There is no unanimous consent. The Hon. Member for Yorkton—Melville has the floor.

Mr. Nystrom: Let us deal with privatization. The Government is privatizing more Crown corporations—

Mr. Gustafson: Public participation is the word.

Mr. Nystrom: Not public participation, privatization. Again, it is part of the Conservative ideological crusade to turn more over to the private sector. This time, the major company involved will be Air Canada. It wants to privatize all the shares of this great Canadian institution so that the wealthier people in this country will buy a majority of the shares and make the money.

This is our national airline. It should remain publicly owned by all the people of Canada. That used to be the policy of the Conservative Party when John Diefenbaker and Robert Stanfield were its leaders, but with this new Republican-style Conservative Party, there has been a sharp change in its ideological direction.

The Government's action with respect to the environment includes cut-backs in terms of renewable energy. Why is there not more money being spent in the environmental area? I suggest the Government should spend 1 per cent of its budget in fighting for a cleaner environment by attacking air pollution and water and soil pollution. The Budget should provide more in terms of sustainable development, along the lines of the Brundtland Commission. These are important issues but the Government is taking very little action.

If the Conservatives want a compliment, I will compliment them on their decision to cancel nuclear-powered submarines. All Canadians would applaud that decision. I know there are some Conservatives who do not like that. The Minister of National Health and Welfare left that portfolio because he lost his battle to have the Government proceed with nuclear-powered submarines. My hon. friend from Saskatchewan is now the Minister of National Defence. He went to that portfolio because of a new policy. The Conservatives did the right thing by cancelling nuclear-powered submarines.

I wish it had done the right thing with respect to foreign aid. Why has the Government cut back funding for foreign aid? Perhaps that back-bencher can explain in the budget books why there has been a cut in foreign aid in fiscal year 1988-89 from $2.8 billion to $2.4 billion? Over five years there will be a cut-back in foreign aid of $1.8 billion.

It is wrong for a wealthy country like Canada to cut back in foreign aid, at a time when this is becoming more of a world community. If we are our brother's keeper, we should be doing what we can to help people in the poor parts of the world. With our technology and finances we should be doing what we can to make sure they do not go to bed hungry. We should be doing what we can to develop their economies and make sure they know how to produce food for their people and be able to live in peace.

It is very regrettable that the Conservative Party would pick on foreign aid as an area to cut back in order to save a few dollars when it could have obtained the money from its millionaire friends and big companies who it governs for in this country.

Let me deal with the deficit. Much of what is happening today is a result of the deficit. Of course, the deficit is a concern, but only one of many concerns. However, after the election the deficit became the number one priority for the Party opposite. Consequently we see a cut back in services and an increase in taxes. Because of the way the deficit is attacked we will probably see a recession in Canada.

In fact, the Government itself is predicting an unemployment rate of 8.5 per cent in 1990. No one wants a deficit of $40 billion to $60 billion, but the Conservative Government is the one that has accumulated more debt in four and a half years than any Government before it in the history of this country. It is the expert at accumulating debt.

If the Government wants to bring down the deficit and create a strong economy to support day care centres, small business, farmers and poor people, it could take a number of steps.

First, let us bring down interest rates. A drop of 1 per cent in interest rates will save $1.5 billion over a year on the interest payment on the national debt. A drop of 2 per cent in the bank rate will save $3 billion in the course of a year. Our bank rate is about 3.5 per cent higher than that in the United States. There is no reason why we cannot have a bank rate that is at least 2 per cent lower than it is today.

There is also no reason Canada cannot show some leadership at the G-7 in terms of encouraging lower interest rates around the world.

I do not know how many Canadians are aware that the real interest rate in Canada now is higher than it has been at any time. In August 1981, the year of the high interest rate policy of the MacEachen-Trudeau Government, the real interest rate was 8.33 per cent. The real interest rate now is 8 per cent. The high interest policy is making small business poor and making farmers poor. It is making it more difficult to buy homes, and it is making ordinary working people in this country a lot poorer.

The bank rate today is 12.6 per cent. The inflation rate is 4.6 per cent and the real interest rate is 8 per cent. In 1981 the bank rate was 21 per cent and inflation was 12.7 per cent. The real interest rate was only 8.3 per cent.

As a result of the high interest rate policy in 1981 there was a recession in 1982. I believe we will see a repetition of history. The same thing is likely to happen next year as happened to Mr. MacEachen in 1982.

Second, if we want to bring down the deficit and create more money for day care and other social programs, the Government should be spending money on the creation of jobs rather than cutting back regional development programs. It should be investing in agriculture, in small business, investing in the regions and in local development. There should be a more decentralized vision of economic development in Canada.

The Government should be investing in the co-operative movement and in research and development. It should be investing in those things that will pay great dividends for Canadians in the years ahead.

According to Judith Maxwell of the Economic Council of Canada, for every point that the unemployment rate drops in Canada, the federal Government will get an extra $2 billion of revenue. It is extra revenue because there is a cut-back in unemployment insurance pay-outs. Of course, that will be gone because the Government is privatizing it. There is a reduction in welfare pay-outs under the Canada Assistance Plan and there are extra taxes paid by people who obtain the jobs. Let us lower the interest rates. Let us create jobs in this country. Then let us have serious tax reform so that the rich will pay their fair share, loopholes are closed, the over 6,000 people who pay no taxes but have incomes of over $50,000 per year will pay taxes and the over 80,000 corporations that pay no taxes while making profits will pay taxes. Let us have a serious minimum corporate tax. If we would do those things, we would have extra money to bring down the deficit and we would have money left over for social programs.

• (1450)

Finally, let us have a special parliamentary inquiry to inquire into all the tax expenditures that are made to big corporations. The amount of money that has gone to the big business sector has increased in the last five or six years. We could save money through cut-backs in subsidies and tax write-offs to big business.

In conclusion, this Conservative Budget does two things. For ordinary Canadians, it brings on the big Tory tax attack. Those ordinary Canadians, when the national sales tax comes into effect next year, will pay an extra $1,700 per year in taxes.

The second thing the Budget does is implement a big business Conservative agenda that will scale down social programs, cut back expenditures on equalization and transfers to the provinces and regional development and cut back on money for farmers, small businesses, workers and the unemployed. In the end it will make Canada

more like the United States and more like Margaret Thatcher's Britain.

We have a choice. There are two competing visions. We have our traditional Canadian vision. The country was built by pioneers who came from all parts of the world. They had a vision of working together, co-operating and sharing the great wealth of Canada. We built a unique system here in North America with our medical care, the CBC, the Canadian Wheat Board and equalization payments that helped the poor provinces while the richer provinces paid their fair share. We built a unique country, a Canadian way of many cultures and two great languages. It was built not just by CCF pioneers, but by Liberals, by red Tories and by progressive Tories. Many national institutions, including the CBC, the Canadian Wheat Board and the CNR were brought in by the Conservative Party. That is the Canadian way. That is what our Party wants to see continue.

Our Party sees a country in which we share, co-operate and build on our resources. We want to create more wealth and distribute it more equally among everyone, regardless of where one lives or where one comes from, ensuring that there is equality of condition for each and every Canadian, regardless of sex, religion, race or colour. That is our vision, but the Conservative Party across the way has another vision. Conservative Members want to privatize and deregulate and have free trade with the United States so that we can become more and more like the Americans. Their vision is an old vision. Their vision is a throw-back to the past. In that vision, the rich get richer and the poor get poorer. We follow the law of the jungle.

The time has now come for Canadians who believe in Canada to mobilize and to fight this Budget like we have never fought a Budget before. The next three or four years between now and the next election campaign will decide what direction Canada will go in. We are at a crossroads. We can go the Conservative way, the way of the past, with the almighty dollar calling the shots, or we can decide to continue to expand our social programs and help ordinary people build the great country of Canada. Therefore, I move, seconded by the Hon. Member for Kamloops (Mr. Riis):

> That the amendment be amended by adding the following words:
>
> and this House further condemns the Government
>
> (1) for imposing the greatest new tax burden on Canadian families in recent times;
>
> (2) for reneging on its commitment to develop regional equality;
>
> (3) for continuing and increasing the unfairness of the tax system;
>
> (4) for eroding the universality of vital social programs.

Mr. Deputy Speaker: The Chair finds the subamendment to be in order.

It being three minutes to three o'clock, pursuant to order made Wednesday, April 19, 1989, this House stands adjourned until Monday next at eleven o'clock pursuant to Standing Order 24(1).

The House adjourned at 2.57 p.m.

HOUSE OF COMMONS

Monday, May 1, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the Government's response to four petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

REGULATORY CONTROLS FOR OIL TANKERS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege to present a petition on behalf of a number of British Columbians who draw to the attention of Parliament the unavoidable risks associated with offshore oil drilling, as well as tanker traffic up and down the West Coast.

It is a long petition, but the petitioners are fundamentally concerned that since oil spills are inevitable and the outcome of oil spills is recognized, they call upon Parliament to reconsider the position to allow tanker traffic along our West Coast.

[*Translation*]

OPPOSITION TO SUPERMAILBOXES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have here a petition signed by several residents of a new residential area in my riding. It is stated by the undersigned that the policy of the Canada Post Corporation with respect to "super boxes" discriminates against thousands of Canadian men and women; that super boxes are very inconvenient for the disabled, the elderly and the sick; and that homeowners in new housing projects are subject to the same tax rates as their neighbours who have home delivery.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to urge the Conservative Government to provide residents in the new residential area located at Paul, Place Ida-Rocheleau and Place Pauline-Charron, with the same type and quality of service as that received by their neighbours.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Mr. Speaker: I understand that the Hon. Member for Kamloops (Mr. Riis) has a point of order before Government Orders are called.

* * *

POINT OF ORDER

THE BUDGET—PROCEDURE RESPECTING QUESTIONS OF PRIVILEGE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, considering the discussions we had last Thursday, I wish to make a few short remarks and perhaps suggest a way to deal with the issue of privilege that all three Parties have raised in one form or another.

I do not know if this is the time to make those comments. I will seek some guidance from the Chair.

Mr. Speaker: I think I should make it clear to the House again. I will call Government Orders, but before proceeding with whatever is the Government Order, I have been anticipating that we will proceed today toward the completion of the arguments on the privilege issue. That is a commitment to the House, so that is what we will be doing, unless the Hon. Member for Kamloops has something to suggest which may change that.

In any event, the Hon. Member for Kamloops has something to suggest with respect to this debate. It might be of assistance to the Speaker if the Hon. Member did proceed with his suggestion at this time. There may be a response from others.

Point of Order--Mr. Riis

Mr. Riis: Mr. Speaker, I have not had an opportunity to mention this to the House Leader of the Government nor the Official Opposition. I would like to have had more time, but basically the point I wish to make is that on Thursday the Minister of Finance (Mr. Wilson) rose in his place on a question of privilege. Presumably, if you were to find a prima facie case of privilege, it would be referred to the appropriate committee.

He made his comments in a very thorough and articulate way. While some of us do not necessarily support them, he had the right to make those comments and in many respects he could argue that his privileges had been breached as a Minister.

The representatives from the Official Opposition made their points and suggested that if a case was in fact identified by you, Mr. Speaker, it would be referred to the appropriate committee. We in the New Democratic Party made similar arguments. There were a number of points of privilege, depending on one's perception of the events of last week. We were arguing for some aspect of points of privilege relating to the leaking of information from the Budget. The Minister was concerned We were concerned. We suggested there was a list of items to consider. I have a list of items that I identified over the weekend which should be raised at the committee if you find a prima facie case of privilege.

• (1110)

We have been arguing that a point of privilege occurred for individual Members and have asked that it be referred to an appropriate standing committee. Perhaps, since we unanimously agree, that is what should take place. That would enable us to continue with the business of the House, knowing full well that all aspects of the points of privilege raised would be done in the appropriate standing committee.

Hon. Herb Gray (Windsor West): Mr. Speaker, when it comes to matters of privilege, there is technically no such thing as a point of personal privilege. When a Member raises something that pertains to himself or herself, he or she is actually dealing with the privileges of the House. Therefore, even though there are a number of notices with respect to points of privilege before you, and technically you may have only called one for discussion to enable you to make the ruling on it, there has been put before you already a wide range of arguments as to why there has been a prima facie case of breach of privilege.

Certainly the speech given by the Leader of the Liberal Party is one he would have given if his notice had been recognized first. I do not want to hold anybody back from making arguments they want to make before you, but as far as the Liberals are concerned, we would like you to take into account the arguments that have been made irrespective as to which point of privilege has been raised first or is technically before you. We ask you to consider whether there has been a prima facie case of breach of privilege, whether we are looking at the point of privilege raised by the Minister of Finance (Mr. Wilson), the one that would have been raised by the Leader of the Opposition (Mr. Turner) or by other Members. Should you find a prime facie case of breach of privilege, the Liberals are prepared to move an appropriate motion.

However, one should not assume that our motion would simply be to send the matter to a parliamentary committee. It is open for a motion based on a prima facie case of breach of privilege to ask the House to take certain action. We reserve the right to move such a motion in addition to or as an alternative to having this matter looked at by a committee.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the suggestion of the House Leader of the New Democratic Party is a helpful one. I also hear the comments of the House Leader for the Official Opposition. Let me make a couple of points if I may.

The Hon. Minister of Finance (Mr. Wilson) rose at the first opportunity and indicated to the House that his privileges had been breached. He made a point of privilege. While I have been a Member of this House, there have been instances where a Member came to the House on a point of privilege rather than a question of privilege. We should preserve that ability for Members to stand in their place and make comment. I had to do it on one occasion. We should keep that option open. The Finance Minister did not at the time suggest a motion. It would be helpful to have this matter studied properly by a committee, one might very well suggest that the appropriate committee would be the Elections and Procedures Committee. We may find that a more appropriate committee would be the Finance Committee. I raise that as a possibility.

I suggest if you were to stand the matter down to give me an opportunity to discuss this matter with the House Leaders of the two opposition Parties, we may come to a motion or an agreement which suits the purposes of the House and enables this matter to be dealt with properly.

Mr. Riis: The suggestion the House Leader for the Government has made is a good one. The Leader of the Official Opposition (Mr. Turner) and the Leader for the New Democratic Party suggested we follow the same course that was proposed when there was a leak by the previous Minister of Finance, the Hon. Marc Lalonde. At that time there was a suggestion by the Official Opposition that a special committee be struck of 11 Members to examine all aspects of Budget security and secrecy. I suggest that be one of the alternatives we consider.

Mr. Speaker: Just so that everyone understands what is happening, the Hon. Minister of Finance (Mr. Wilson) filed with me on Wednesday night the first of a series of applications on privilege. The Hon. Minister of Finance, because his privilege was first in point of time, was the first heard. The Hon. Minister of Finance did not move the usual motion. Comment was made about that, but that is completely the Minister's prerogative.

The second question of privilege filed in point of time was that of the Right Hon. Leader of the Opposition (Mr. Turner). I want to make it clear that that motion is very much before me. The Right Hon. Leader of the Opposition did make the proper submission that, if I found there was a prima facie case of privilege, he would move the motion. Therefore, that is very much in front of us.

I indicated that there were other applications on privilege. The Hon. Member for Windsor West (Mr. Gray) is quite right and has helpfully remarked that privilege is a matter for the entire House. I have taken in all those applications collectively in the debate that proceeded for many hours. As I said, that debate will continue now, because privilege does take precedence over Government Orders.

We have a suggestion that this matter be referred to the appropriate committee. If, after examining carefully all of the argument, the Chair decides that there has been a prima facie breach of privilege with respect to one or more applications in front of the Chair, then, and under those circumstances, the matter is moved to the entire House. At that time, if the House wishes, the whole matter can be debated by all of the Members in the House. They can decide, if they wish, to then send the matter to the committee. The Chair rules only on whether or not there has been a prima facie breach of privilege. The ultimate decision as to whether it goes to committee lies with the House. If it goes to the committee, the committee deals with the substantive issue of whether there was a breach of privilege. I want Members and the public to understand I am only dealing with privilege at the prima facie level.

It has been suggested that the House Leaders consider the matter, that we stand down debate on the question of privilege at least for a while, and we will see what flows from that discussion. If that discussion decides to move the matter directly to a committee, that will be the course of events provided that all Hon. Members are prepared to accept that procedure.

I take it that it is the wish of the House to stand down the debate on privilege for the moment. If I do that, we will proceed with the Government Order. I am under the impression that at some time later today the House Leaders will come to the Chair and give me some indication of where we are as a consequence of their discussions. I gather that is the understanding.

• (1120)

Mr. Riis: Yes, Mr. Speaker, that is the understanding. I would like to submit that there is an alternative. After you consider all the evidence presented to date, there might not be a prima facie case of breach of privilege. Since Members of the House from both sides are arguing concerns about the process, the other alternative would be to seek unanimous consent to have the matter referred to the appropriate committee. Most Members would wish to have this process examined, not explicitly for this case, but to include the whole process of how Budgets are handled in the future.

Mr. Speaker: Perhaps I did not make myself clear. From what the Hon. Member has stated, and especially with respect to the reply of the Minister of Justice (Mr. Lewis), I was under the impression that it may well be that the House Leaders today will make some arrangement which will make it completely unnecessary for me to decide whether or not there is a prima facie case of privilege, or more than one prima facie case of privilege.

I am taking it that the House Leaders will have a discussion as to how they wish to proceed. In the meantime, the questions of privilege are before the House. Debate will continue at some future point if some arrangement is not worked out by the House Leaders.

* * *

[*Translation*]

POINT OF ORDER

MR. GAUTHIER—S. O. 62—SPEAKER'S RULING

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I would like to speak to another point of order but on a different matter, if you are finished, Mr. Speaker.

Mr. Speaker, last Thursday, in the heat of the debate, some comments were made about parliamentary procedure. At one point I even proposed using Standing Order 62, and I will read it so that Hon. Members will understand what I was doing at the time.

[*English*]

Section 62 of the Standing Orders states:

> When two or more Members rise to speak, the Speaker calls upon the Member who first rose in his or her place; but a motion may be made that any Member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

I understand the situation on Thursday. When I rose you ruled at that time that the question of privilege superseded—

[*Translation*]

Perhaps I may refer to *Hansard* of April 27, at page 1003, immediately after the motion that was moved by me, and I quote:

> The Hon. Member for Ottawa—Vanier has moved a traditional motion that another Hon. Member be now heard. That is properly a matter for a debate. In my view having set out the fact that we have questions of privilege here—

And you continued your comments, Mr. Speaker. Subsequently, as we shall see a little further in *Hansard*, the Minister of External Affairs accused me of challenging the Speaker's decision. He said, at page 1004, and I quote:

> Challenging the Speaker. Shame.

Following that decision, there was a certain amount of disorder.

I simply wanted to remind Hon. Members and this House that when I said that we were rewriting the rules, what I meant was that to me, this kind of motion was always in order, not debatable, and should be put to a vote immediately. I was not challenging the Speaker's decision at that point, which was that the main question was the question of privilege, but I would like to make it clear that no precedent has been established here, that the Chair did not decide that in future, a motion that another Member be now heard would be debatable or could, for instance, be rejected by the Chair.

Mr. Speaker: I want to thank the Hon. Member for his comments. I understand his position very well. I think this may be the result of conversations between the Hon. Member and the Chair, and that the Chair's decision is clear, at least with respect to what happened on April 27. I can assure the Hon. Member that I understand his position and that in the circumstances, it might be useful for the Chair and the Hon. Member to have a private discussion about the procedures.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Finance) moved that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as Hon. Members are aware, the Financial Administration Act requires that statutory borrowing authority be obtained from Parliament in order for the Government to increase its outstanding debt.

Specifically, Part IV, Section 43 of that Act requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament". This refers to new money only rather than the refinancing of existing debt since Section 46 of the Act provides continuing authority to borrow funds to repay maturing debt.

While Section 47 provides for temporary short-term borrowings, statutory borrowing authority must be obtained from Parliament to permit the Government to implement a regular debt program to meet its financial requirements.

This Bill should be viewed in the context of the Government's continuing efforts to deal with the problem of Canada's huge public debt. First, let us look at the problem.

The grim truth is that the interest on the public debt is far greater than the entire projected annual deficit this year. The interest on the debt is estimated at more than $39 billion. The deficit will be $30.5 billion.

Except for the interest that we pay each year on the public debt, Canada would have a substantial surplus this year instead of a deficit. We have a serious problem because year after year, Government after Government, annual deficits have been piled on top of each other to create this mountain of debt.

Four years ago when the Government first took office, the debt had already reached $200 billion and was rising at an alarming rate of almost 24 per cent a year.

During the past four years, under the guidance of the Minister of Finance (Mr. Wilson), the Government faced up to the debt challenge. We took action to cut the growth in program expenditures and also introduced measures to raise the revenue yield. We put forward economic policies to revitalize the private sector and encourage economic growth.

As a result of these actions, the annual deficit was reduced from more than $38 billion in 1984–85 to less than $29 billion in 1988–89. Our financial requirements were down from $30 billion to $22 billion in the same period. We reduced the growth of the debt to 9.9 per cent. That was the first time in 15 years that the debt growth was less than 10 per cent.

Mr. Milliken: That's ridiculous, and you know it.

Mr. McDermid: That is not ridiculous at all. The Hon. Member is a little testy for a Monday morning. The Hon. Member from Kingston must still be feeling the effects of the press gallery dinner from Friday night.

• (1130)

An Hon. Member: Saturday.

Mr. McDermid: Or Saturday night. You can see I am really feeling the effects.

Some Hon. Members: Oh, oh!

An Hon. Member: Have you got a sunburn?

Mr. McDermid: Yes, sunburn and it is hurting like the dickens if you want to know the truth.

Some Hon. Members: Oh, oh!

Mr. McDermid: Despite our progress, Madam Speaker, the sheer momentum of the debt means that it continues to grow. The debt is now more than $320 billion. That is more than 20 times greater than it was in the mid–70s when it began to grow faster than our national income.

Interest payments increased by almost 50 per cent from $22 billion in 1984–85 to $39 billion this year. We have a chicken and egg challenge here. On the one hand, the only way to control the debt is to reduce deficits, but the continuous increase in the stock of debt and higher public debt charges limit the amount of deficit reduction that can be achieved. High and rising levels of debt make the Government's financial situation vulnerable to interest rates which have been driven up in the past year as a result of inflationary pressures. The rise in interest rates has substantially increased interest payments on the public debt, this year by an expected $6.4 billion above the estimate made in February, 1988.

The Budget faces this challenge firmly with actions to reduce program expenditures further and to strengthen revenues. Through the Budget the Government is building for the future instead of borrowing from it.

Debt control reduces the burden of debt imposed on future generations. It provides Government with increased fiscal flexibility to respond to priority needs. It enables a better balance of fiscal and monetary policy, setting the stage for sustained economic growth, reduced inflationary pressures, lower interest rates, lower debt servicing costs and even lower deficits. It helps ensure a better future and higher living standards for all Canadians.

As a result of the measures of this Budget, the public debt as a percentage of our national income will stabilize next year and decline over the immediate term, the first such decline since 1974–75. By 1993–94, our financial requirements are projected to be only $3 billion.

The Government has demonstrated its commitment, Madam Speaker, to bringing the debt under control. It is a major long–term challenge that will require the efforts of all Canadians for many years to come.

After talking about the debt, I have to turn now to outline for the House the terms of the Borrowing Authority Bill for 1988–89. In looking at the Bill, subclause 2(1) requests borrowing authority in the amount of $24.8 billion for fiscal 1989–90. This amount is equal to $21.8 billion of borrowing requirements, $20.5 billion of which are the Government's estimated net financial requirements from the Budget and $1.3 billion of which relate to the forecast exchange fund account earnings. The exchange fund earnings have grown very rapidly in recent years as a result in the increase in Canada's official reserves reflecting the strength of the Canadian dollar. Even though the exchange fund earnings are reported in the public accounts as budgetary revenues, they give rise to additional Canadian dollar borrowing requirements because they are retained in the exchange fund account and are not available for general expenditures.

As in recent years, the borrowing authority requested in the Bill includes a $3 billion reserve to cover contingencies such as a further build-up in official international reserves in 1989–90.

In previous years, exchange fund earnings were not large enough to warrant being explicitly included in requests for borrowing authority. For example, five years ago these earnings amounted to about $300 million. By contrast, in 1988–89 exchange fund account earnings grew to $1.7 billion. At this level of earnings, it becomes necessary to explicitly recognize these additional borrowing requirements in its request for borrowing authority.

The $3 billion reserve requested in the borrowing Bill is the same as was granted in the previous two years. However, this reserve was not large enough in 1988–89, forcing the Government to use Section 47 of the Financial Administration Act in late March when statutory borrowing authority ran out.

The reason the Government ran out of borrowing authority in 1988–89 was because of the strengthening of the Canadian dollar and the consequent build-up in Canada's international reserve assets. This amounted to the Canadian dollar equivalent of about $4.8 billion, adding substantially to the Government's Canadian dollar financial requirements. Canadian dollars used in purchasing these assets were borrowed in the domestic market. Thus, while we are seeking only $3 billion as a reserve, we hope this amount will be sufficient in 1989–90.

In subclause 2(2), the Government is asking for $750 million of statutory borrowing authority in order to refinance borrowings pursuant to Section 47 of the Financial Administration Act undertaken in fiscal 1988–89, actually on March 31, the last day of the fiscal year. Funds borrowed under this section cannot be rolled over in the regular way under authority provided by Section 46 but require new statutory authority. In effect, this request for $750 million of statutory borrowing authority covers the short-fall in statutory borrowing authority in the last fiscal year.

Clause 3 of the Bill states that all unused borrowing authority granted by the Borrowing Authority Act, 1989–90 to the extent that the unused authority exceeds $3 billion will be cancelled on March 31, 1990. Thus, this clause preserves the Government's non-lapsing reserve into the next year to accommodate the possibility that new statutory borrowing authority is not provided before the 1990–91 fiscal year begins.

For the information of Hon. Members, I would like to briefly review for you the Government's debt operations in 1988–89. The domestic debt program increased the unmatured domestic debt outstanding by approximately $27.7 billion to $264.7 billion. The domestic debt program financed approximately $23.7 billion of borrowing requirements, including the exchange fund profits referred to earlier, other foreign exchange transactions, and a small build-up in cash balances.

I should point out that the domestic financial requirements for 1988–89, excluding Exchange Fund profits, are now estimated in the fiscal plan at $22 billion, about $300 million lower than forecast in the February, 1988 Budget.

Of the total net new debt issued in 1988–89, $11.8 billion was in the form of marketable bonds. As well, the Government increased the emphasis on selling bonds by auction, which was found to be a cost effective form of issuing debt. Auctions now account for 60 per cent of all marketable bonds issued, up from about 50 per cent in the previous fiscal year.

Treasury Bills were used to raise $21.6 billion of new funds in 1988–89, up sharply from the amount issued in the previous fiscal year. However, approximately $5.7 billion of the amount issued was to replace the decline in the stock of Canada Savings Bonds.

The fall 1988 Canada Savings Bonds campaign, with a coupon of 9.5 per cent, generated total sales of $15 billion. The net amount raised in the campaign, after taking account of Canada Savings Bonds which matured in 1988, and other maturities which were redeemed during the campaign, was $6.5 billion. However, rising interest rates in late 1988 and early 1989 led some investors to redeem their Canada Savings Bonds. As a consequence, the Canada Savings Bond rate was increased to 10.5 per cent for four months effective March 1, 1989. Nevertheless, with the redemptions, the stock of Canada Savings Bonds outstanding is estimated to have declined by $5.7 billion to under $47 billion.

• (1140)

In closing, I would like to remind Hon. Members that they have all the necessary information before them to deal with this Bill expeditiously. The Bill is related to the borrowing requirements set out in the Budget and the estimates have been tabled.

The fiscal plan and other documents provide background information on the fiscal stance of the Government. Also, Annex 7 of the fiscal plan provides background information on the debt operations of the Government.

Finally, Part III of the estimates which deals with debt charges has been amplified this year to provide additional information on the debt program. With all this information readily available to Hon. Members, I trust that the second reading of Bill C-11 will proceed most expeditiously, and I look forward to discussing the borrowing Bill in more detail at the appropriate committee.

Mr. Len Hopkins (Renfrew): Madam Speaker, when we had the Throne Speech in the first week of April, the Government ended its Throne Speech by saying, "May divine providence guide your deliberations." I think as we hear the financial statements of the Government today we will indeed be using that divine guidance for our deliberations.

The Government is today taking yet another step to officially borrow more money. We had a Throne Speech in April, as I mentioned, and we have had a Budget in April. Now on May 1, after all the talk we have heard about deficits and the national debt, we are starting off the month with a borrowing Bill.

The Minister of Finance (Mr. Wilson) with the approval of the Government is allowed to raise money under the Financial Administration Act. Under this Act the Minister of Finance has the right to raise money either by way of a loan or by sale of securities in Canada, and we have just heard the Minister go into that.

The reason for this Bill this morning was that in March, 1989, the Government borrowed $750 million pursuant to Section 47 of the Financial Administration Act, and these borrowings must be refinanced in 1989-90. Thus, additional statutory borrowing authority to refinance these borrowings must be included, bringing the total authority requested from Parliament to $25.6 billion.

When talking about borrowing $750 million in Bill C-11 and also talking about the billions of dollars of our national debt and the fact that the Government is borrowing $25.6 billion in total, one is reminded that just 32 short years ago the Right Hon. John Diefenbaker fought and won an election campaign on the Right Hon. C.D. Howe's question in this House of Commons: "What's a million?" I am sure that Mr. Howe must be looking down on this Government today and shaking his head.

We also know that at the time the Government used that $1 million slogan to dupe the people of Canada once again, $1 million in those days did not go very far either, it worked for tactical purposes in the election campaign. We saw the money campaign, too, in the last election as well.

We know that the Government of Canada has a deficit this year of $30.5 billion. We know that when this Conservative Government took office in 1984 the national debt of Canada—and this is important because the message must be made very clear as to where all this debt came from—was $170 billion when this Government took over. Today, just four and one-half years later, the national debt has skyrocketed to $320 billion, an increase of almost 90 per cent. That is what the Government calls great and wondrous financial management.

Before this year is over, the national debt will have more than doubled in five years. This is the financial management of a government that travels around this country, stands up in the House of Commons and says, "What a great job we are doing in the financial administration of this country" while they have succeeded in doubling the debt in five years. This is what the Government calls sound fiscal planning.

The Government's objectives, "to make expenditure control and good management the primary focus of fiscal restraint" has failed dismally to materialize, let us face it. That is why they are so desperate today to get down and do something about it and hit everyone with a sledge hammer. There is, therefore, great reason on the part of all Canadians to be concerned about the financial management of our country. The situation does not seem to be improving even though the Conservative Government has imposed on Canadians the highest tax increases we have seen in Canadian history.

Let me lay this out before the House and the people of Canada in simple but accurate terms. It took Canadian governments from Confederation, from 1867 to 1984, 117 years, to build the national debt up to $170 billion. But it will take this Government only five years to add another $170 billion from 1984 to 1989.

Some Hon. Members: Hear, hear!

Mr. Hopkins: That is the message that we want to get out to Canadians, because this Government is still dumping on the previous government, still blaming the previous government for this, but it is their administration that at some point in 1989 will have succeeded in doubling the national debt of this country in five years or less. It is clear that the high interest rate policy of this Government is one of the problems. Indeed, the Minister mentioned it this morning. He listed it as *the* problem the Government has.

The deficit does not increase drastically because the Government has spent too much on post-secondary education. That is not the cause. The cause is not retraining. The cause is not social programs and the cause is not regional development. But these are the items that paid the price because the Government wants high interest rates.

It is clear from the Government's own estimates that were tabled in this House last Friday that one of the major causes of the deficit has been the excessively high interest rates, to the extent of $6.4 billion. Imagine, $6.4 billion in interest rates because of the high interest rate policy of this Government, and then it is blaming everyone else for its problems. Imagine, because of the Government's high interest rate policy it is costing $6.4 billion more to service the national debt.

The Government seems to be fuelling its own inflation but it is blaming post-secondary education, Medicare, unemployment insurance and other social programs. It is also blaming regional development—

An Hon. Member: International money markets.

Mr. Hopkins: An Hon. Member mentions the international money markets. Certainly, the International Monetary Fund which is located with its headquarters in Washington, did send a message to the Government during the winter and told it that it was time it got the financial management of the Government of Canada in place because they were getting concerned about the Canadian debt. That came from the IMF, the International Monetary Fund. It gets pretty serious when the IMF must send a message to a national government. It sent the message to the Government because it realized it would be doubling the national debt in less than five years.

• (1150)

Higher taxes on the people of Canada is also a form of inflation. This type of inflation can be had even when the economy is weak. Higher taxes can still be imposed. Therefore if there is a downturn in the economy down the road, people will still be saddled with high taxation.

As a result of the Budget an average income family will pay $700 more in taxes annually. The over-all truth of the matter is that the same family is now paying $2,000 more in taxes than when the Conservative Government was elected.

This morning we are talking about a borrowing Bill and the financial management of the Government. The real financial managers will have to be the people of Canada, those who are being taxed. After the Government is through with them they will have to manage their affairs very carefully. They will have to manage their incomes in such a way as to keep their heads above water. They will have to manage their affairs carefully in order to stay above the outgoing financial tide that is flowing into the Government of Canada as a result of high taxes.

In order to even touch the surface of the financial management of the Government there are many other items about which we must talk. Let us take a look at the agricultural industry which has been having a very tough time for some time now. The Government has cut $399 million out of agricultural services and subsidies. One of these is crop insurance. The federal Government is trying to change the sharing of the cost of crop insurance between the federal and provincial Governments. In Quebec and Newfoundland the fund is split 25 per cent

federal, 25 per cent provincial and 50 per cent producer. In other provinces the split is 50 per cent federal, zero per cent provincial and 50 per cent producer with the provinces paying the administrative costs. The federal Government expects to shift $90 million this year and $110 million in 1990–91 on to the provinces. What is new? Nothing is new. The Government is trying to cut down its deficit by passing the expenditures on to the provincial Governments in a whole range of areas. I mentioned in this regard post-secondary education and the transfer payments, including Medicare transfer payments.

Where does this place the provinces? They have to go to the municipalities and cut funds from them. The municipalities will then have to decide what they will do to cut back on their people. They will have to do the dirty work right on their own doorsteps.

The dairy export subsidy program was created in 1979. It provided a direct subsidy for milk exports. The federal Government reduced the amount of milk eligible for this subsidy by one-half in 1984. The elimination of the other one-half of the subsidy is proposed in the Budget. The savings are expected to be $7 million annually. That is another $7 million taken from the farmers of Canada. There will also be changes to the Canadian Dairy Commission, as well as to other organizations.

I would now like to move on to the long-time tradition of rural Canada. I like raising rural issues in the House because everyone is used to looking at the bottom line today and talking about big things. They often forget that there is another world out there. The Budget states that Canada Post will be required to pay some $300 million in dividends to the Government of Canada over the next five years. To allow the payment of dividends the Government is transferring the Canada Post Corporation from one schedule to another schedule in the Financial Administration Act. It is doing this to make everything nice and legal.

As a result of Canada Post recording a profit in 1988–89 for the first time in 30 years, and anticipates further profit years, the Government has decided that some of these profits will be paid to the Treasury in the form of dividends, a kind of reverse subsidy. Where is the incentive for any organization, such as Canada Post, to produce a profit? Every Government wants to see its agencies producing a profit and doing good work. However, as soon as they do make a profit the Government takes it away. At the same time, the Government may be attempting to improve the financial image of Canada Post Corporation to render it more attractive for privatization. In addition, the $300 million being paid back to the Government in the form of dividends will not be used to improve the service of Canada Post, equipment and machinery. Nor will the money go toward speeding up the mails or restoring rural post offices. The Government will use the money wherever it sees fit to the best political advantage.

This will be done at what price to rural Canada? We would like to see those profits remain with Canada Post in order to improve and speed up its service. We do not think it should be done so the Government can come along and say: "Now you guys are making the profit, we want the dough". That is wrong.

Other Crown corporations are being sliced and cut. VIA Rail is one. Even if it were making a profit, it would probably have to pay it back to the Government as well.

Unemployment insurance came into being in 1940 as a statute of Westminster, an amendment to the British North America Act. Because the provinces could not afford to pay UIC, the responsibility was transferred to the federal Government. It was felt that it was the one Government in Canada which could tax anything it wants to tax, something which this Government is doing. The provinces are limited in their areas of taxation. Thus it was agreed, as a result of the Rowell-Sirois Commission report that started off in 1937, that the unemployment insurance program should be passed on to the federal Government. The appropriate statute was passed at Westminster in 1940.

What is happening today in 1989? Some 49 years later the Government is getting out of the unemployment insurance business absolutely. It will not pay one cent toward it. That responsibility was imposed upon Governments of Canada by a statute of Westminster, an amendment to our very Constitution. By getting out of the unemployment insurance business, by making small businesses and employees make bigger contributions to it, the Government is reneging on the Constitution of Canada. Undoubtedly, we will see more of that.

Another area in which the Government is reneging is in terms of industry. I refer to a long-time traditional industry of Canada, the softwood lumber industry. We have been telling the Government for the last couple of years that this has to change. As a result of the Memorandum of Understanding that the now retired Minister for International Trade signed in great glee and glory just prior to signing the so-called free trade deal with the United States in late December, 1986, she agreed with the American producers who said that Canadians were being subsidized. The Minister did not even let the matter go to the courts for a decision but said: "Yes, we agree. We will sign. We want to get the Free Trade Agreement tonight. We don't mind making the softwood lumber people of Canada a sacrificial lamb in order to get this Free Trade Agreement".

As a result, on that dark night in late December of 1986 the Memorandum of Understanding was signed. It was decided the Canadian industry would be taxed 15 per cent, all because the Americans wanted that before they would sign another deal. However, the Minister for International Trade at that time said: "Don't worry, you guys will not have to collect it. We will penalize our own industry. We will put the 15 per cent export tax on ourselves. Don't worry about it, we will look after it". A number of members from northern Ontario and myself travelled this province throughout the east and the north having hearings on the softwood lumber issues with the people in the field. We went into the sawmills, into their offices and into their communities for discussions. We had discussions in municipalities where a sawmill is the only industry to support the whole village or town. Their message was the same no matter where we went: The Government has made us the sacrificial lamb in order to get a free trade agreement with the United States. That is a fact of life.

• (1200)

There are mills in Ontario that sold softwood lumber as far south as Tennessee, lots of it, and they could compete favourably. The construction industry in the United States likes our softwood lumber because it does not warp all out of style like some southern softwood lumber does. The construction industry in the United States would love to be getting our lumber again, but this Government has put the softwood lumber people of this country in a position where they cannot compete.

We all remember the Minister of State for Privatization (Mr. McDermid), who led off this debate this morning, standing up in this House time and time again on the free trade debate and saying: "Canada can compete. We are not worried about that. Canada can compete in any industry in the United States. We have faith in our Canadian people." Then the Government turned around and put a 15 per cent export tax on softwood lumber. It brought in a policy of high interest rates which upped the costs still more for our producers. Then the exchange rate on the Canadian dollar improved and threw the whole thing out of whack.

Today the softwood lumber producers in this country cannot compete with those in the United States. When the United States saw this market going their way, they went out with glee and upgraded their mills, something they had not done for years. They improved their operations. As a result, today they are serving the eastern markets in the United States that our Canadian mills have served for many, many years, and made a good profit on them as well. That is a sad story coming out of the operations of this Government. If you want to talk about financial management, there certainly is not any financial management in that agreement. It is absolute mismanagement right through, as the Hon. Member says.

The softwood lumber producers are in a state where they cannot compete and are now laying off workers all over northern and eastern Ontario and in other areas of Canada. I want to say to the Minister for International Trade that when I spoke in the trade debate in this House in December, he told me that he was going to meet with the producers on the softwood lumber issue. I don't know whether he has met with the actual softwood lumber producers or not, but I know that the softwood lumber producers have been in to see the Minister of Forestry. The Minister State for Forestry (Mr. Oberle), as far as I am concerned, is simply a buffer zone between the softwood lumber industry and the Minister of Finance and the Minister for International Trade. When delegations come to Ottawa on this very touchy issue they are shifted off to the Minister of Forestry. They have met a Cabinet Minister, and are expected to go back home happy. But the Minister of Forestry is going to have a tough time persuading the Minister for International Trade and this Government to back off on this Memorandum of Understanding on softwood lumber.

There is a clause in there which says that one party or the other can give thirty days notice to cancel the agreement. But the Government is not doing that. It knows that we are in the right on the softwood lumber issue, but it does not want to back off on it because it is going to annoy the United States. As far as the softwood lumber people are concerned, they are saying: "Look, go ahead, cancel the Memorandum of Understanding. We will take our chances in the courts. We would rather take our chances in the courts than take our chances with this Government." That is what they are saying.

The softwood lumber issue is growing day by day. This Government is going to have to make a decision on it. It is saying to us: "Why don't the provinces do something about it? Why don't the provinces raise their stumpage fees? Let them do it." I have a message for the Hon. Member for Mississauga South (Mr. Blenkarn) who is the expert in finance and the expert on who is going to get what in eastern Ontario. Last fall after the election he described eastern Ontario as an area that should be penalized. I don't think he has much hope of being heard in this House this morning, although he does sound much better from the seat of his pants than he does in front of a microphone.

The export charge on softwood lumber is so poorly designed to be almost unworkable. This is the answer that I want to give to the Hon. Member for Mississauga, that the original 1986 Memorandum of Understanding indicates the Government's intention to ultimately replace the export charge with higher provincial stumpage rates.

The Province of Ontario is getting about $25 or $30 million a year in earnings from stumpage fees across Ontario for softwood lumber. In order to get it to the stage that the United States wants to see those stumpage rates at under the Free Trade Agreement, the Province of Ontario would have to increase stumpage fees by three times. It would have to triple those stumpage fees in order to satisfy the United States. So what is the sense of tripling the stumpage fees and then removing the 15 per cent export tax? The industry will still be loaded down for years to come with those higher stumpage fees because you cannot change them. If you do, you are going to be in trouble with the United States.

So, don't tell us to go off to the provinces. Don't blame the provinces. This Government signed the Memorandum of Understanding. Only it can remove it. It should do it in order to save the industry, an industry that has been the heart and soul of this country in many ways since before Confederation days.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I want to talk about another industry, the Crown corporation that the Government has taken sums of money out of because it was able to have some in the bank. Let me say a word about Atomic Energy of Canada Limited which again is under attack today. If anything happens to Atomic Energy of Canada Limited, and we get out of the nuclear energy business or impair it in any way, then what is really going to happen is that this country is definitely going to have a shortage of power in years to come. This year AECL research and development has taken another reduction from $130 million down to $112 million, a reduction of $18 million. It is told at the same time by the Minister of Energy that it can maintain last year's spending levels, but it is missing $18 million. The Minister says to them, well, take it out of your reserves. In 1985, when this Government cut ACL by $100 million in research and development, it also took $70 million out of its reserve fund. Since then this Crown corporation has put $30 or $40 million back into the reserve fund.

But now the Government is saying, use your reserve fund to keep your expenditures up to that level. We are not going to give you any money to do it. We have a fantastic science community. I ask the Government today to consider its actions very carefully, and to get on with the job of research and development. Research and development is the driving force of our industry and, without it, there is no capacity to compete internationally.

• (1210)

Today in the Province of Ontario 50 per cent of the hydroelectric power and the jobs related to that industry are dependent on CANDU reactors which have proven to be the safest in the world. This technology is established in industrialized Canada.

Without those CANDU reactors in industrialized Canada, in order to generate the same amount of electricity as they have produced over the years, it would have been necessary to buy more than $7.5 billion of coal from Pennsylvania for coal-fired furnaces. Of course, today everyone screams about pollution. There would have been $7.5 billion more in coal-produced acid rain floating around Ontario. Imagine what the Parliament Buildings would look like under those conditions.

The Government has given an ultimatum to Atomic Energy of Canada Ltd. It must either pay its way or it will get no money in the interim. The Government has already implemented cut-backs, has taken money out of the reserve fund of AECL and states that AECL must pay the Government back for the money it loaned.

More than energy is involved in this matter. There are two subsidiaries of Atomic Energy of Canada Ltd. One is Nordion International Incorporated. It is a radio chemical isotope plant. Canada produces 60 per cent of the world's supply of radio medical isotopes, and this is a very profitable organization.

Let me tell the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) that I wrote a letter to the Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources (Mr. Epp) some time ago, suggesting that the Government should retain these two subsidiaries which are making money and put the profits into the parent company for research and development. In that way the whole organization will be regenerating its research funds.

Instead, the Government has already taken steps to sell Nordion International Incorporated. The other company, Theratronics International Ltd., has not been as successful as the other Crown corporation but produces a tremendous product which can be very successful. For example, it manufactures the cobalt therapy units for the treatment of cancer. The units built as a result of this high-class medical discovery are produced by Atomic Energy of Canada Ltd.

There are many wonderful things that AECL does in the medical world but which are unknown to the average individual because of the difficulty in giving that message out. As soon as one mentions atomic energy or nuclear power, many people hide because they are afraid of those terms. We have a serious educational problem in this respect.

Let me quote from the Congressional record in the United States, when a member of the U.S. Congress said: "—a new source of power, beginning a new era in the history of civilization. Never in history has a society been confronted with a power so full of potential danger and at the same time so full of promise for the future of man and for the peace of the world". That person was talking about the invention of gasoline. That speech was delivered in the Congress of the United States in 1875.

More than 100 years later we have a facility that produces CANDU reactors and medical radio isotopes, and produces the cobalt therapy unit for the treatment of cancer. Yet people only consider the horrendous possibilities. There is an anti-nuclear community which gets much coverage in the media. I ask the media to give some balance to this question.

Even when Christopher Columbus left to find the New World, people were worried that he might fall off the end of the earth. We must open our minds and have some vision for the future of this country. The only way to have vision for the future is to open up the minds of those sitting opposite so they may proceed with research and development and assist our scientists and leading organizations in this country. We have world-class laboratories and world-class facilities. There should be encouragement to find new ways of manufacturing new products and to work for industry. That can be done by a Crown corporation that is owned by a Government. If it is privatized it will only work for private industry, keeping secrets to itself.

Organizations like Atomic Energy of Canada Ltd. and the National Research Council should be open to everyone so that the results of their good work can be spread to industry and the public, like the medical world. That is the way to build Canada. We should not hide that information from anyone.

I implore the Government to reconsider what it is doing. Making the nuclear option available to all Canadians requires continuing federal leadership in nuclear technology. I ask the Government to provide that leadership. Everything costs money at one stage or another, but the returns will come in and the Government will be glad it had invested. It will be able to say it did something useful.

An Hon. Member: Borrow more.

Mr. Hopkins: I gave the option of putting research and development funds back in from the subsidiary corporations and to use the reserve funds for themselves rather than for Government purposes. If the Government followed that course, there would be less investment necessary.

Canada is the world supplier of radio isotopes for use in nuclear medicine. Quebec Members should note that CANDU reactors in Quebec and Ontario produce 85 per cent of the world's supply of Cobalt-60 used in cancer treatment. Surely no one is against programs like that.

Research and development in Canada produces spin-off technologies and businesses, including Aerospace, CAE, Spar, small sized robotics, medical operations and others. All of these have developed over the years because people had faith in what was being done. No other country has such a complete world-class package of peaceful nuclear assets and capabilities as Canada.

• (1220)

Some Hon. Members: Hear, hear!

Mr. Hopkins: The Candu reactors continue to out-perform the competition, consistently placing in the top ten. There are research reactors in Ontario, Quebec, New Brunswick and in universities across the country.

The slowpoke reactor is an item that will open Canada up to modern conveniences for many people. It produces both heat and energy. It can be used to produce hydroelectric power and heat for an entire community. It is an ideal way to go for communities in the North. It is an ideal way to go for new discoveries of mines and service communities. Here is your product. It has almost been perfected. Much of the work is being done at White Shell, Manitoba.

I implore the Government: do not cut off the tap when we are moving on to success. The bottom line will always be there, but if the Government destroys its basis for research and development in the energy sector in this country, it will destroy its future. This makes things difficult for competition in industry. We cannot afford to do that. We talk about vision of the North and Canada as a whole, but we must also have vision in innovation. No highly organized or advanced country in the world cuts off its public commitment to research and development. Every advanced country in the world has a strong public commitment to research and development. Canada's record in this regard is going in the other direction. We have A government saying: "Pay your own way". "The bottom line is important". "Boy, we are going to balance the Budget". Balancing the deficit and the national debt is important.

An Hon. Member: How important?

Mr. Hopkins: All right, just listen to this. If you go with your research and development, new ideas and facilities, better products, and market those aggressively in the world, you will have a new source of taxation. You will have a product that nobody else has and everyone will want. Hospitals around the world want the cobalt cancer therapy unit. Countries around the world want radio medical isotopes. Open up your minds. If we are innovative we can compete with the world.

We will do so, however, only if we support our research and development in this country. If we tell our researchers we have a problem in a particular area let them solve it. Don't cut them off and say: "Look, we are worried about not getting an immediate return. The public will get worried if they do not see another dollar coming in tomorrow morning". You cannot operate that way. You must look at the longer term. That is where you will get your tax base. You will produce efficient industries in this country. You will produce new products in this country that will be in demand world-wide. You will get your tax dollars on those. The more you hold your country back, the less you have faith in your science community to bring in research and development and new ideas. If you have no faith in them, you will have a brain drain from this country. Researchers will go south of the border. They will go to Britain. They will go anywhere in the world because they have an international product to sell; their skills and knowledge. They will be producing things there and competing against Canadians. The entire issue boils down to faith in ourselves. We must have faith in ourselves and in our science community.

Let us talk about commitment. We can only have commitment if we know what is going on around us and what these things mean. You could give the softwood lumber people a break today if there was a will and a commitment to do it, but there doesn't seem to be any will on the part of this Government to do it. There does not seem to be any will on the part of this Government to push for new research facilities in this country, to barge ahead and produce electrical power.

Let us take a look at another facet of this issue.

An Hon. Member: Do we really have to?

Mr. Hopkins: I know you do not like hearing this because it is too positive. We in the Liberal Party want to put forth positive ideas for you.

Some Hon. Members: Hear, hear!

Mr. Hopkins: If the Government did not have all the energy that is out there in Ontario, Quebec and New Brunswick, it would not have the tax base it has today because energy would not be there for industry to use. Central Canada has expanded rapidly because of the basic source of energy that was present.

What has the off-shoot of that been? The off-shoot of this solid base of industry has been a great source of taxation to the Government of Canada, the provinces and the municipal Governments. As a result, we will be able to put into place—

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member who has gone quite a few minutes over the allotted time.

Some Hon. Members: More, more!

Mr. Hopkins: Just one sentence that I wish to add.

The Acting Speaker (Mrs. Champagne): The Hon. Member may complete his comments. There is unanimous consent.

Mr. Hopkins: I will make my final comment a very pleasant one. With the tax money that will be generated by the good base of industry across this country and our capacity to sell new products around the world, we receive the tax dollars to finance the social programs of this country with respect to medicare, old age pensions and unemployment insurance. That is the route we must take. If we have the faith, the will and the commitment, we can do it.

Some Hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, what we have before us today is a Bill to borrow billions of dollars. The Canadian people may be interested to know that we have been asked to borrow an amount not exceeding $24.8 billion by way of loan and sale of securities in Canada. In addition the Government is saying that this year we must borrow an additional $750 million. The grand total is $25.55 billion. That is what the Government of Canada is asking us to borrow. I suggest that is an awful lot of money. At what interest rate will this money be borrowed? What will be the cost in the future? This is a serious debate.

Every year borrowing Bills come before Parliament. Every year they seem to go up and up. It is sad that the Government is usually way off in its forecast about where the economy will go. If you look at Mr. Wilson's Budget of a year ago, he said interest rates this year would be 7.8 per cent. The average annual interest rate is much higher than 7.8 per cent. The bank rate today in this country sits at over 12.5 per cent.

It is interesting to note in the Budget speech delivered last week the Minister said that Budget measures would cut the annual deficit in half to $15 billion by 1993–1994. We cannot even predict what will happen to the bank rate on Thursday. How do we know that in five years the deficit will be $15 billion? I say that we should stop misleading the Canadian people by making those types of projections in the Budget of Canada.

• (1230)

If one looks at one of the Budget papers entitled *Canada's Economic Prospects in the 1990s*, it is very clear that the Government knows that we are going into a recession very shortly. What we have before us is a borrowing Bill for more than $25 billion at one of the highest real interest rates since the Great Depression of the 1930s. This Budget will not only increase interest rates, but it will increase the national debt, unemployment, and the welfare rolls of the country. In many ways, this Budget will mandate a recession.

Members of the House should look at the budget papers tabled last Thursday by the Minister of Finance (Mr. Wilson). In Table 2 on the Canadian economic outlook it states that expenditures of Gross Domestic Product in 1988 grew at 4.5 per cent. By 1990 it will be down to 1.7 per cent. In 1988, consumption was 4.3 per cent. By 1990 it will be down to 0.9 per cent. In 1988 residential investment was 4.8 per cent. By 1990 it will be minus 8.6 per cent. In 1988, business non-residential investment was 17.8 per cent. By 1990 it will be down to 3.8 per cent. In 1988, machinery and equipment was 21.6 per cent. By 1990 it will be down to 5.6 per cent.

If all those are added together, final domestic demand in 1988 was 5.9 per cent and in 1990 it will be 0.7 per cent. In 1980, housing starts were 223,000. By 1990, despite the expanded population, it will be down to 170,000 housing starts in Canada. In 1988 the Canadian Price Index was 4.1 per cent. In 1990 it will be down to 4.4 per cent.

One of the most important indicators of all, the unemployment rate, was 7.7 per cent in 1980. In 1989 it was 8.2 per cent. In 1990 it will be 8.5 per cent.

According to all the forecasts we are seeing, there is going to be a recession that will start later in 1989. In part, that recession is the responsibility of the Government of Canada because of high interest rate policies and tight money policies. In part, that recession is because the Government did not have the foresight over the last number of years to build a strong economy, come up with new ideas to create wealth and to create additional jobs, to create wealth in Newfoundland or in the outlying reaches of the country in order that people can get off the welfare rolls and the dole and start adding to the productivity of the country. We are borrowing more and more money because the country is less and less productive.

Mr. McDermid: Borrowing less and less money.

Mr. Nystrom: The Bill before us today is borrowing more than $25 billion. The Minister himself stated that the payments on the debt this year will be $39 billion. One of the big culprits and the reason the debt is so high, or the deficit is so high, is the Government's policy of high interest rates.

Every time the interest is increased on the bank rate by 1 per cent, and sustained over a period of one year, $1.5 billion is added to the deficit; 1 per cent interest in the bank rate, $1.5 billion to the national deficit. If that interest rate of 1 per cent is sustained for one year, it is $1.5 billion. If it is sustained over two, three, or four years it is compounded each and every single year.

In the last two years bank rates have skyrocketed. In March, 1987 the bank rate was 7.14 per cent. On May 1, 1989 it was 12.62 per cent. That is an increase of approximately 5.5 per cent. Over two years the bank rate has gone up by some 5.5 per cent. If a 5 per cent increase in the bank rate is sustained over one year it adds an extra $7.5 billion to the national debt.

Mr. McDermid: Six point four billion dollars.

Mr. Nystrom: The Minister states the precise figure is $6.4 billion. The high interest rate policy continued over two or three years is a large part of the problem that we are facing today.

The number one challenge of the Government is to find a way to lower interest rates. The Government must realize that a tight-money policy and a high interest rate policy hurts the farmer of Saskatchewan, the worker of Newfoundland, the person trying to build a house in Toronto or British Columbia, and in particular it hurts small business.

The real interest rates are among the highest they have been since the 1930s. During the Great Depression, and I do not have the figures with me, it was very seldom that real interest rates went above the 8 per cent mark. In 1981 and 1982 there was a recession. Today, the real interest rate is higher than it was every single week in 1981, except for one week in August, 1981. Today, the real interest rate is 8 per cent. By "real interest rate" I mean the difference between the bank rate and the cost of living. Today, the bank rate is 12.6 per cent. The cost of living is 4.6 per cent. The real interest rate is 8 per cent. That is the highest real interest rate except for one month in 1981 when the bank rate was 21 per cent, the cost of living was 12.7 per cent, and the real interest rate was 8.3 per cent.

We are in serious trouble in this country when real interest rates are at that level. The Government has been timid in terms of instructing the Bank of Canada and the Governor, Mr. Crow, to roll back interest rates. I believe there is some flexibility. The interest rate in Canada is approximately 3.5 per cent higher than that in the United States, comparing our bank rate with their bank rate. The Bush administration does not seem to fear talking to Mr. Greenspan at the Federal Reserve and ordering him to hold down the interest rates. If that can be done in the United States, why can we not do it in Canada? We could roll back interest rates by a couple of points without hurting the economy in terms of the outflow of Canadian dollars. If the dollar is lowered by two or three cents it would be a stimulus to our exports.

Every single provincial premier has called upon the federal Government to talk to Mr. Crow to attempt to lower bank rates in the country. My friend, the Hon. Member for Mississauga South (Mr. Blenkarn) knows that. Mr. Getty has said that, as has Mr. Vander Zalm. The great supporter of the Conservative Party Robert Bourassa has also stated the same thing.

[*Translation*]

And on the weekend I saw Mr. Bourassa, who likes the Prime Minister of Canada very much. He was very negative towards the Budget of Canada and I know that my friends, the Hon. Members from Quebec here, agree with Mr. Bourassa that the Budget will be hard on Quebeckers. I think that Mr. Bourassa is right: interest rates are too high in Canada and it will be a problem for the Canadian economy for a long time.

[*English*]

The only way we are going to bring down the deficit in the long run is by building a strong economy, strengthening the Canadian economy, creating jobs, bringing down the interest rate, and by putting people back to work. That is not being done in this Budget before the House today. The borrowing Bill is really part of the Budget, just like the Estimates are a part of the Budget. Instead, what we have seen is a high interest rate policy and the biggest tax attack in the history of this country on ordinary Canadians by the Conservative Party across the way. This big tax attack, which takes over $700 out of the pockets of ordinary Canadians, is put on top of the huge tax increases from 1984–88 which cost the average family $1,000. On top of that, we will soon have a national sales tax which will add another $1,000 to the taxes of ordinary Canadians.

• (1240)

Never in the history of this country have we seen a political Party that has taxed, taxed and taxed the ordinary Canadian people as much as the Conservative Party across the way. This big tax attack will hit ordinary Canadians. It will not hit the friends of the Government, the rich, the millionaires or the corporations.

[*Translation*]

And my friend the Hon. Member for Lévis (Mr. Fontaine) agrees with me that his Party is a Party for the rich and big corporations. That is why his friend Mr. Bourassa has now criticized Mr. Mulroney's Conservative Government. It is the biggest tax impact in Canadian history!

[*English*]

I say to you, Madam Speaker, it will not be long before Canadians will say, "We are not going to take this any longer", and we will see the beginnings of a tax revolt in this country. How long can you have ordinary people just paying, paying and paying because the Conservative Party across the way has no imagination in respect to creating jobs and generating wealth in this country, a Party that is afraid to take on the whole question of interest rates and bringing down the bank rate because they are trying to let their friends, the corporations, get off scot-free?

[*Translation*]

Madam Speaker, I saw many Hon. Members from Quebec on the other side of the House and my friends from Quebec are aware of the regional development situation. The Budget of the Minister of Finance (Mr. Wilson) is another reason we are now prepared to discuss a bill for $25-billion borrowing authority. But the Finance Minister's Budget we have here reduces regional development expenditures for the Atlantic provinces in 1988–89. We spent $461 million. But in two years, only $410 million will be spent on the Atlantic provinces, the poorest in Canada, a reduction of $41 million for Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick.

Madam Speaker, these are the poorest provinces with an unemployment rate that is too high, but regional development expenditures are reduced. Even in Quebec, where the most recent unemployment figures are still much too high, federal expenditures are cut. In 1988–89, the Government spent $352 million, but in two years, Madam Speaker, your Government will spend $260 million. This is a drop of almost $100 million for the Province of Quebec. Many regions of Quebec have an unemployment rate above 12 or 13 per cent.

Where I come from, western Canada, there is also a reduction of $12 million. This year, the Government will spend $362 million, but in two years, it will be $350 million, Madam Speaker.

And the same goes for Ontario. Ontario is often considered a very rich province, with a lot of money, but I know very well that my friend from Timmins—Chapleau (Mr. Samson), in northern Ontario— It is not a rich region. There is a lot of poverty and unemployment. That region is quite poor. Our country needed programs for northern Ontario and some regions in eastern Ontario. But look at the figures! Even here in Ontario, there is a reduction of nearly $50 million for regional development.

In two years, Ontario will get $59 million, but this year, it was $107 million, Madam Speaker.

And I think of Sudbury and Timmins in northern Ontario and places like Hawkesbury in eastern Ontario. There will be a negative reaction against the federal Government for regional development budget cuts.

Despite this, we have many millionaires here in the Conservative Party who agree with a Budget that increases taxes for corporations by only $1 billion but by $8 billion for individuals.

Madam Speaker, it is time to have a government for ordinary Canadians.

[*English*]

It is the same thing with social programs. They are under attack. We have the beginning of the end of universality in social programs in this country. It is the old Chinese proverb: A journey of a thousand miles begins with a single step. What we see now is the beginning of the end of universality in social programs. In fact, with family allowances, some 535,000 Canadians will see either part or all of their family allowances taxed back by the federal Government. Some 132,000 old-age pensioners will see either part or all of their pension taxed back.

Mr. Blenkarn: Those earning over $50,000.

Mr. Nystrom: The Chairman of the Finance Committee is always accurate. He is a very honest and open guy. He is very frank. He said Canadians would pay an extra $10 billion in taxes if the Government was elected, through the national sales tax. He says the cut-backs—they call it a claw-back in the Conservative Party by the big Conservative tiger across the way—will apply to people that make over $50,000 a year. And he is right.

Mr. Blenkarn: This is taxable income.

Mr. Nystrom: Suppose we take a family with a couple of kids with one person working making $51,000 or $52,000 a year.

Mr. Blenkarn: He won't get clawed back.

Mr. Nystrom: You are going to have some of that money clawed back if you are making over $50,000.

Mr. Blenkarn: That is taxable income.

Mr. Nystrom: Okay. If you have taxable income of $51,000 a year where one person is working, some of that money will be clawed back.

Mr. McDermid: That means he is making about $85,000.

Mr. Nystrom: That person might be making a fair amount of money. But what about another family with two wage earners, both making about $48,000 in taxable income. They are making about twice as much money as the first family, yet none of their money will be clawed back. That is not fair. The Chairman of the Finance Committee knows that is true. Where is the fairness, Madam Speaker, when you compare those two families? Do you think it is fair that one family making almost twice as much money would not have any of its income clawed back? If the determination is $50,000 today, how long will it be before that amount is $40,000, or $30,000, or $25,000? How long will it be before the social policy in this country becomes the welfare policy and we will have a means test that will hurt ordinary Canadians?

[*Translation*]

But Madam Speaker, it is not only family allowances, not only old age pensions, not only that, it is unemployment insurance.

The federal Government is now privatizing unemployment insurance by withdrawing from it. Imagine, Madam Speaker, the Unemployment Insurance Commission—

[*English*]

Imagine, the Unemployment Insurance Commission run by Canada's big companies. The Government wants to save hundreds of millions of dollars by withdrawing from unemployment insurance. It will save money by withdrawing from promises made for child care.

• (1250)

You will notice the chairman of the Finance Committee did not talk about child care in the campaign because he knew that once elected the Prime Minister (Mr. Mulroney) would not keep his word and would cut back on promises and commitments he made to the women and mothers and fathers of this country to spend more money on child care.

The Government is cutting back but it is cutting back on social programs. The Government is cutting back but it is cutting back on universality. The Government is cutting back but it is cutting back on unemployment insurance. The Government is cutting back but it is cutting back on regional development. It is cutting back on programs for ordinary people. What it is taxing under this borrowing Bill are ordinary Canadian people right across the country.

I also say to you that what we are seeing now for probably the first time in terms of a budgetary measure is the real Conservative agenda, which is to harmonize our policies and our programs more and more with the programs of the United States. Step one was the free trade deal—

An Hon. Member: I prefer Argentina.

Mr. Nystrom: —and they got the free trade deal. A Member across the way said he prefers Argentina. Step one was the free trade deal, free trade with the United States of America where we lose a lot of Canadian sovereignty. Despite the fact that the overwhelming majority of Canadian people vote against that idea, vote against the Conservative Party, because of the quirks in our electoral system we now have free trade.

We are now seeing stage 2, that is to harmonize our programs with the Americans, because over the next five to seven years there will be negotiations going on about subsidies and what a subsidy means. What about unemployment insurance? Is that a subsidy? Are our social programs unique subsidies in this country? What about the family allowance, unemployment insurance and workers' compensation, are these unique subsidies in Canada? What we are seeing is the harmonizing of our programs, like unemployment insurance, our social policy and our regional development policy with programs in the United States. What you are seeing is more and more privatization and deregulation in this country because once again that harmonizes our economy with that of the United States of America.

In terms of this borrowing Bill, we cannot support a Bill to borrow money with this kind of economic vision. What the Conservative Party wants to do is to load more and more of the tax load on the ordinary Canadian, and less and less on the rich and wealthy. It is making forecasts and predictions about the future that are probably going to be totally off-base.

We cannot support this borrowing Bill. I do not think the House should support this borrowing Bill. I think the House should vote no to the borrowing Bill. What we have here is a Government with a fiscal vision that gives Canadian people higher and higher borrowing, higher and higher interest rates, higher and higher unemployment, with more and more people living in poverty.

What we should be doing instead is coming up with ideas to create more wealth and more jobs for ordinary Canadians. What we should be doing is lowering the interest rates in this country. We have that flexibility with the United States to lower our interest rates. We could also take more leadership in the G-7 in terms of the international problem of high interest rates. These are the kinds of things we should be doing. We should be helping the farmers and small business more. We should be making sure that the regions of this country that suffer the most in a recession are the regions that are helped.

Instead, what we are seeing is a repetition of 1981-82. In 1981, with high interest rates, the Liberal Government of the day with Mr. MacEachen brought in a recessionary budget. They kept interest rates high. They taxed ordinary Canadians. They cut back on services and expenditures by the federal Government. Those measures by the Minister of Finance speeded up the recession and made the recession deeper for most Canadians.

I come from a region of Canada that has not yet fully recovered from the recession of 1982. Many Members of this House come from a part of Canada that has not recovered from 1981-82. Yet we have a Government that is intent on making the same mistake as 1981-82, some seven or eight years later. What we have in the Minister of Finance is the clone of Allan MacEachen.

An Hon. Member: What an insult.

Mr. Blenkarn: Not really.

Mr. Nystrom: The chairman of the Finance Committee is not sure. He says not really but there is a certain amount of uncertainty right there.

What people should do, if they want to take the time, is look up the quotes in the House that were made back in 1981-82 by the chairman of the Finance Committee, the present Minister of Finance, the present Secretary of State for External Affairs (Mr. Clark), and by several other Cabinet Ministers and long-time Conservative Members of Parliament. What they were saying to Mr. MacEachen back in 1981-82 was: "Bring down interest rates in this country. They are too high. You can intervene with the Bank of Canada. You can talk to Mr. Bouey. You can bring down interest rates. They are hurting ordinary Canadians." What they were saying at that time was that the national debt was too high. Now the debt in this country has pretty well doubled from what it was four years ago.

What they were saying at that time was to cut back on social programs and cut back government expenditures that would hurt the poor ordinary Canadian. What they were saying at that time was that the regions that would be hurt the most would be the Atlantic Provinces and parts of Quebec and parts of western Canada and northern Ontario. They were right. Yet seven years later the same Party is now on the Government side of the House and they are doing exactly what they said they would not do in 1981-82.

It is no wonder that more and more Canadians are treating politicians and politics with cynicism. It is more and more believable that Canadians out there think this is probably the only institution in the world that is run by its own inmates, because we seem to be at times so insane in terms of what we do and what we say.

I remind Members on the opposite side to go back to 1981–82 and take a look at the speeches they made, and take a look at the advice they were giving to Mr. Trudeau and Mr. MacEachen. We were saying similar things back in 1981 that we are saying now. We were saying that Budget would provoke a recession, that Budget would deepen the recession, that Budget would make the recession last longer. We were right. The Conservative Party was saying the same thing.

I see my friend from Halifax is now getting up and leaving his seat with big crocodile tears rolling down his cheeks. He was saying the same thing in those days. He in his heart of hearts knows that his Prime Minister is doing the wrong thing. But he is out there lobbying for a Cabinet post. He does not want to alienate the Minister of Finance and the Prime Minister. He does not have the courage, as has the Member for Portage—Interlake (Mr. Holtmann) who said last night about the closure of the base at Portage la Prairie that if there is any evidence that it is a case of east against west, I will stand up and I will vote against Mulroney in the House of Commons.

An Hon. Member: Where is he?

Mr. Nystrom: He does not have the same courage as that lonely soul on the Prairies from Portage la Prairie, that intellectual heavyweight of the Conservative Party who is going to take on the Prime Minister.

I say to my friends across the way, why do they not start the tax revolt in this country? Why do they not start the revolt that says, "This Budget will induce a recession in Canada"? Why do they not become the heroes of this Parliament by standing up and saying, "Look, what we said in 1981–82 was right, and we are going to say the same thing today". The Prime Minister has them on a short leash. They are all afraid of him. There is a good guy sitting across the way, the Member for Cambridge (Mr. Sobeski). I know he is ambitious. I know he wants to be a Cabinet Minister. He knows what I am saying is right. He knows that Joe Clark was right in 1981–82. He knows Michael Wilson was right in 1981–82, but he does not say a word today. He does not dare say a word today because the Prime Minister has him on a short leash. All these politicians, if they do not make the Cabinet, they can still get some patronage. I notice that Mr. Hamelin, the former Member, has stepped aside for the Prime Minister in Charlevoix so he could represent Baie Comeau. He got another patronage appointment.

These people across the way are afraid to bite the hand that feeds them. That is why two or three years down the road the Canadian people are going to say no, and say no decisively, and throw out this gang across the way and elect a Government that cares for the ordinary people of Canada.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

SHORT RANGE NUCLEAR WEAPONS IN EUROPE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, Canada must support West Germany in its attempt to reduce short-range nuclear weapons in Europe. In this respect Canada must join with other NATO allies to convince the United States and Britain that this is the best option for peace and stability. To pursue the modernization of these weapons, which was targeted for the mid-1990s, will jeopardize seriously the prospect for successful arms reductions in Europe, and undermine the possibilities for phasing out the cold war. The call by the West Germans for the reduction of these weapons would bring us at least one step closer to this goal.

I urge our Government to join with those allies in NATO who seek to curtail these weapons and put an end to the arms race. Canada should take a strong stand right now.

S. O. 31

THE ENVIRONMENT

CHERNOBYL ACCIDENT—RADIATION FALL-OUT

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, three years ago in April of 1986 a major nuclear disaster occurred in Ukraine. The first hint of a nuclear nightmare reached Scandinavia on a southeast wind. Swedish monitoring devices began to detect abnormally high levels of radiation. Only two days later the Soviet Government admitted that a nuclear accident had occurred in Chernobyl in Ukraine some 100 kilometres north of Kiev.

The fall-out of this accident reminds us of the atomic explosion in Hiroshima. Recent reports indicate that 25 villages around Chernobyl have had to be evacuated because of the nuclear fall-out. There has been significant increase in illnesses, including anemia and breakdown of the immune system, since that accident.

Some 200,000 babies were born in the vicinity of Chernobyl. We should urge the Soviet Government to be open about the medical follow-up of those children so that we know really what effect this explosion has had on their development.

This nuclear disaster should remind the world that we need international co-operation and controls on the proliferation of nuclear devices.

* * *

[*Translation*]

BEATIFICATION OF MARIE-CATHERINE-DE-SAINT-AUGUSTIN

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, last Sunday on April 23, I had the pleasure of attending the beatification of Sister Marie-Catherine-de-Saint-Augustin in Rome, where I represented the Canadian Government at the ceremony led by His Holiness Pope John Paul II.

In 1648, Sister Marie-Catherine-de-Saint-Augustin arrived by ship in Quebec City. An exceptional woman, she directed the construction of the first hospital in Quebec City. She also founded a congregation and devoted her entire life to the destitute.

Mr. Speaker, on behalf of the Canadian Government, I wish to congratulate the *communauté des Hospitalières de Saint-Augustin* on receiving this great honour which is also an honour for all Canadians.

Mr. Speaker, I also had the pleasure of meeting His Holiness the Pope, and I must say it was a truly unforgettable and extremely moving moment, and I hope that all Canadian Catholics will some day have a chance to meet His Holiness.

* * *

[*English*]

THE BUDGET

COST OF ADVERTIZING

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Government's campaign to sell its Budget is entitled "Of consuming interest". What is really of consuming interest to Canadians is the cost to us of the current multi-media blitz the Government has launched to sell its tax grab Budget.

Canadians are interested in knowing that the creative and media buy agencies, the radio ads, the TV ads, the print ads and assorted brochures and bumf will cost Canadian families a grand total of about $2.7 million. There can be little doubt that Canadian families would be much happier to see 2,600 new child care spaces created for the children of working families who so desperately need child care. That $2.7 million would have paid for close to 3,000 child care spaces.

Glossy ads are a poor substitute for action by the Government. It has once again demonstrated it is more concerned with image than with the very real problems facing Canadian children.

* * *

THE BUDGET

REDUCTION OF THE DEFICIT

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise before you today to give my support to the Minister of Finance (Mr. Wilson). He showed courage and far-sightedness in addressing our deficit. It was not an easy decision, I am sure, but one that had to be made for the good of our future generations.

The responsibility for the present state of our finances cannot be passed on to successive generations with impunity. We must act now to ensure our children are not burdened with the debts of their forefathers. It is in our interest and their interest to start now rather than later.

The Minister has shown the kind of leadership that has earned him the respect of not only his colleagues and fellow citizens but also of people around the world.

* * *

[*Translation*]

TRANSPORT CANADA

IMPACT OF CANCELLATION OF LEASE ON OUTAOUAIS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the facts must be known. Does the Minister of Public Works realize that the Government's reversal of its decision to transfer Transport Canada to the Outaouais region is a flagrant injustice?

This was an opportunity for the Outaouais to demonstrate its competence and its determination to pursue its economie development.

Representatives from the Quebec side of the National Capital Region have taken a professional and calm stance, without making inflammatory or exaggerated statements. They stick to the facts, and they believed that the Government would stand by its decision.

Why was Transport Canada's lease cancelled? It was certainly not because capital expenditures would be necessary, although the Budget says otherwise.

What is the cost of renting from Campeau Corporation, with repairs? Won't this involve capital spending right away for the Government, expenditures that will require immediate payment?

Finally, and most importantly, when and by whom were senior officials at Public Works ordered to negotiate with the Campeau Corporation?

* * *

[*English*]

TRIBUTE TO ALMA WALKER

CELEBRATION OF SEVENTY-FIFTH BIRTHDAY

Mr. Bill Attewell (Markham): Mr. Speaker, Alma Walker, the great lady of Markham, celebrated her seventy-fifth birthday on April 28.

S. O. 31

Last Saturday I attended a reception, along with Alma's relatives and friends, to pay tribute to her. Born in East York, her parents George and Irene Maynard had 13 children, seven girls and six boys. Alma has a daughter Judith, a son Jerry and 11 grandchildren.

In paying tribute to Alma, I want to focus on her over 45 years of public service in elected office in Markham. Alma has achieved many firsts. She was the first woman councillor for the Village of Markham in 1952. She was the first woman mayor of the Town of Markham in 1969. She was the first woman president of the Markham Fair. Alma has also served as a commissioner for Markham Hydro for 33 consecutive years.

Alma, thank you, from the residents of Markham who wish you many more years of health and happiness. God bless.

* * *

CANADIAN ARMED FORCES

CLOSURE OF BASES

Mr. Derek Blackburn (Brant): Mr. Speaker, last week the Government made it clear that it is not willing to act in the best interests of Canada. Nowhere is this more clear than in its wrong-minded plans for the Department of National Defence.

I never thought I would see the day when Canadian troops would be asked by their Government to retreat from Canada. That is what is happening. Seven bases are being closed and seven more are being gutted while we are asked to spend $1.2 billion per year to maintain Canadian Forces in Europe.

Fourteen Canadian communities are under attack from their own Government. This comes at the same time as the Government has laid waste to the very regional development and retraining programs that these communities now need more than ever before. There is concern, confusion and even fear among those who serve in our Armed Forces.

The defence White Paper is in disgrace. The Defence Department is without direction. It is time to reassess all our priorities and ensure that our Armed Forces have the opportunity they need to properly serve the country and to protect its sovereignty. We owe it to those in our Armed Forces to produce a new White Paper.

S. O. 31

[*Translation*]

NATIONAL MENTAL HEALTH WEEK

REQUEST FOR SUPPORT OF ALL CANADIANS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, I would like to remind the House and the public that this week, May 1 to 7, is Mental Health Week.

For 30 years, the Canadian Mental Health Association has been coordinating activities intended to make Canadians more aware of this field in order to reduce the stigma associated with mental illnesses and to encourage the community to accept those among it who need mental health services.

The Department of National Health and Welfare is glad to take part with the CMHA in this worthwhile effort to draw attention to the importance of all these issues. This year's slogan for Mental Health Week is: Mental health—keep it in mind. We have to find a balance.

Mr. Speaker, all Canadians are invited this week to give their full support to the activities planned by CMHA local offices in their own communities.

* * *

• (1410)

[*English*]

CANADIAN ARMED FORCES

CLOSURE OF BASES—LONDON, ONTARIO

Mr. Joe Fontana (London East): Mr. Speaker, from first to last Michael Wilson's leaked Budget is a national disaster. It is Hurricane Wilson and London has been devastated by it. Each and every person will be hurt by it. CFB London has been slated for closure beginning 1990. The Wolesley Barracks is the home of the 1st battalion of The Royal Canadian Regiment and they have been part of the history and soul of London for more than a century. The killing of CFB London is surely one of the least understandable measures in the Budget. The Minister of Finance (Mr. Wilson) claims that this measure has been taken for the good of the economy, but the loss of the Armed Forces base represents a loss of about $50 million a year to the London economy and hundreds of Londoners are going to be thrown out of work. Yet the Minister's own Budget admits that the annual savings to the Canadian Government in wages, operations and maintenance will be small because the regiment will incur the same operating costs at Petawawa where the regiment is slated to move.

I am calling on this Government to rescind this economic blow to the City of London. All that London asks is to be treated fairly. For the next several days I will be asking all Londoners to sign petitions to keep the base open. I implore the Minister to keep all lines of communication open to us to make our case as to why CFB London should remain open.

Some Hon. Members: Hear, hear!

* * *

CANADIAN ARMED FORCES

CLOSURE OF BASES—NORTH BAY, ONTARIO

Mr. Bob Wood (Nipissing): Mr. Speaker, last week the Minister of Finance (Mr. Wilson) announced major cuts to the Canadian Forces base in North Bay. If flying activities cease at CFB North Bay, this will mean the movement of at least 400 jobs from my riding to Ottawa. This is totally unacceptable. Why is this Government centralizing at a time when our provincial Ontario Government has demonstrated the sound basis and cost effectiveness of decentralization? This move will cost $20 million to build new hangars in Ottawa. These hangars have already been built in North Bay, and are being used right now. It will also cost approximately $5 million to move the families. We are now up to $25 million, and have not even moved the office equipment and machinery. This $25 million would have to be paid right now.

The Government's rationalization for this is to save $35 million 15 years from now. At the rate this Government is going, it will not save one cent. But this move will have a devastating effect on the economy of North Bay, not to mention the impact on the 400 families. North Bay needs the jobs. This move is just another example of this Government's gross insensitivity to the families and smaller communities of this nation. There is no commitment to the north except to close it down, or maybe there is a hidden agenda. If so, we would like to know about it.

* * *

THE BUDGET

FAMILY ALLOWANCE TAX-BACK

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the latest Budget makes any person with children and with an income in excess of $50,000 ineligible for family allowance. Does this Minister realize how unfair and discriminatory this provision really is? If you happen to be a single parent or the sole wage earner in a family and receive more than $50,000 a year, you will not be able to collect family allowance. However, if a working yuppie

couple both make $49,500 a year, they can collect family allowance. With a combined yuppie income of $99,000 a year, they will be able to keep their family allowance cheque, but the family with only one wage-earner with an income of $50,000 will lose its family allowance cheque. This Budget provision clearly discriminates against single parents and those families where a spouse stays at home to care for the children. This exemplifies the discrimination and unfairness inherent, not only in this Budget but in too many programs and policies of this Government, and it must not be tolerated.

* * *

IMMIGRATION

Mr. Al Johnson (Calgary North): Mr. Speaker, I rise today to speak on a matter of grave concern to my constituents in Calgary North. They and I are very disturbed that those who have claimed refugee status in Canada, have been afforded due process under our very generous immigration system and have been rejected and deported, are then permitted to immediately return to Canada and begin due process all over again. This manipulation and harassment of our immigration system has put into question its credibility. This abuse is also a great expense to the Canadian taxpayers.

I support an immigration system that takes the time to assess the legitimacy of refugee claims and which demonstrates compassion toward real refugees. However, I believe that once a person has gone through due process, has been found not to qualify and is returned to the country of origin, that the same due process should not be afforded him again. I recommend legislation that is consistent with the need to protect people's rights and at the same time allows Canada to prevent illegal re-entry and immediate removal by the authorities of those who do so.

* * *

THE BUDGET

VIA RAIL CUT-BACK TO PASSENGER SERVICE

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, this Government's plan to further erode passenger rail service in this country is a threat again to Canada's unity. The railway industry built this nation from coast to coast. Further cut-backs to VIA Rail will severely affect the future of passenger rail service especially in the more disadvantaged regions of Canada, and more particularly in northwestern Ontario. Many small communities in my riding depend solely on the railway industry for transportation between communities. Areas such as Sioux Lookout, Minaki and Redditt will feel the effects of these cut-backs. A further reduction in the quality of service provided by VIA Rail will lead to the demise of this vital method of transportation in this country. Increased fares will lead to decreased ridership and remove the competitive edge. Lower and middle-income Canadians who rely on passenger rail service will once again carry the burden.

VIA Rail cannot survive in the transportation business under these circumstances. I urge this Government to reconsider its decision on the cut-backs to VIA Rail and provide the necessary funds to allow VIA Rail to modernize and enhance its existing equipment.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CLAW BACK OF PENSIONS AND FAMILY ALLOWANCE

Hon. Herb Gray (Windsor West): Mr. Speaker, last Friday the Prime Minister, in answering questions about his disastrous Budget, quoted from the pre-Budget submission of the National Council of Welfare in a way that created the impression that the Council supported the Budget's intention to claw back from some Canadians 100 per cent of the old age pension and the family allowance. I went to take a look at that report and here is what it said, prior to the portion the Prime Minister quoted:

> Here are some of the options the government could consider to pare more social spending and raise more taxes. The reader should keep in mind that these are not recommendations of the National Council of Welfare, but rather our guess as to some of the changes the Minister of Finance may be contemplating.

Some Hon. Members: Shame, shame!

Mr. Gray (Windsor West): The Council did go ahead and make a specific proposal, and here it is:

> There is a fairer alternative, a fairer tax system that protects the poor and collects more tax from the well-off.

So I want to ask the Prime Minister, will he apologize to the National Council of Welfare and all Canadians for his deceptive use of the Council's pre-Budget submission? Will he explain to Canadians, if he was interested in the Council, why he did not adopt the recommendation of the Council and create a fairer tax system with more taxes being paid by better-off Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Opposition House Leader indeed misleads and distorts today in referring to a response that I gave on Friday. I will ask the Deputy Prime Minister to review *Hansard* quickly, but I think what he will find is that I referred to this document, *Social Spending and the Next Budget*, presented by the National Council of Welfare in which they make a statement. I never said it was a recommendation.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The statement is:

> The advantage of the clawback is that it saves money not by tampering with the contentious principle of universality, but rather by increasing the progressivity of social programs. Most defenders of universality believe that benefits should be distributed in a progressive fashion—i.e., the higher your income, the less you should receive, and vice-versa. The clawback does no damage to universality—old age pension and family allowance cheques still would go out to all pensioners and parents, regardless of their income—but it does reduce the net value of benefits to upper-income recipients.

The object of the exercise, as I understood it, was to try to do more for the poor and less well off in Canada. That is exactly what we will do.

• (1420)

Mr. Gray (Windsor West): Mr. Speaker, the Prime Minister has not explained why he did not draw to the attention of the House the words that preceded the quote he read, that the quote he read was specifically stated not to be a recommendation to the Government but rather a guess as to what the Government might do.

[*Translation*]

It is obvious, Mr. Speaker, why *La Presse* in its April 28 editorial said, "A bad budget, a bad Minister" because we do not have a budget that treats all Canadians the same.

[*English*]

TAX INCREASES

Hon. Herb Gray (Windsor West): Mr. Speaker, tax increases on individuals through this Budget in the form of personal income taxes, sales taxes and excise taxes have been increased by $2.6 billion in 1990, and in contrast, corporations face only $410 million in increased taxes.

How can the Prime Minister, his Minister of Finance and this Government try to say to Canadians that this is a fair Budget for all Canadians when there is such an unequal distribution of the tax burden created by his Budget when it comes to corporations and middle and lower-income Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I refer my hon. friend to page 1070 of *Hansard* on Friday, April 28, 1989, where I am quoted as saying:

> Because my friend raised the subject of agencies dealing with the poor, I refer him to a recent statement made by the National Council on Welfare—

I quoted that statement from this particular report.

I did not say that it was the only statement in a complete report, I said it was a statement from the report. What I have said and what I have quoted is completely on all fours with the statement there.

I specifically said that I refer him to recent statements, not a recommendation, not a suggestion that we should follow, but a statement made by them. That is a complete and absolutely fair quotation.

If my friend is dealing with quotes, perhaps he should refer to a statement made by a guest speaker at the Liberal convention on the weekend, where Adam Zimmerman is quoted as saying the Liberals should stop blindly criticizing and carping about the Government, which he said in some cases is still cleaning up the Liberal legacy.

Some Hon. Members: Hear, hear!

STATEMENT BY SENIORS NETWORK OF CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, the Budget that was announced last week creates a total increase in taxes since 1984, including the increases through this Budget, of 108.3 per cent for a family with one income earner and two children at the poverty line income level of only $23,639. This is not a Liberal legacy, it is a crime committed by the Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): If the Prime Minister wants to know that our comments and criticisms are not blindly carping, let me ask him if he is aware of the official statement of One Voice, The Senior's Network of Canada, the major group of seniors in this country, which said in a statement on April 28:

> If we want to maintain true universality, we shouldn't tax benefits through the back door.

It goes on to say:

> One Voice would prefer the Government to increase the top income tax rate rather than taking away benefits.

Does the Prime Minister not realize that we are not blindly carping, we are speaking on behalf of Canadians generally, including seniors. Does he not realize that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe the Hon. Member has been saying that he is looking for a fairer tax system. I want to draw to his attention what we have done over the course of these past four and a half years.

He referred to the increase in personal income tax revenues. I remind him that 80 per cent of that increase is because we have had a healthier economy, only 20 per cent because we had an increase in tax rates.

Let me also remind him that measures such as the elimination of the scientific research tax credit, the minimum tax, the elimination of a number of tax shelters, including yachts, houseboats and hotels, the carve-out provisions for the oil and gas industry, are all steps designed to provide a fairer tax system in addition to the large corporation tax and the high income surtax in this budget.

Let me expand on what Adam Zimmerman said: "Rather than wasting your time hurling insults in Parliament and elsewhere, why not study and really learn about the issues".

Some Hon. Members: Hear, hear!

CUT IN SOCIAL PROGRAMS

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Prime Minister. We have heard versions of what was said at the Liberal convention on the weekend with respect to cleaning up the mess. However, I suspect that many of us have heard a lot of things over the weekend about trust and the Budget.

We have seen the day care program dumped, unemployment insurance slashed, medicare benefits cut back, family allowances and old age pensions taxed. I ask on behalf of many Canadians who have heard much about this whether social programs and universality in Canada are still sacred trusts.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member, in posing that question, is ignoring the essential motive behind the Budget. The essential motive behind the Budget is to get the debt under control, to pay particular attention to the fact that since 1969 our interest costs on that debt have grown from 12 cents of every tax dollar to the current level of 35 cents for every tax dollar. If we do not get this under control, that 35 cents will go higher, and those social programs that the Hon. Member talks about will be squeezed out.

Our commitment on this side of the House is to maintain those social programs and take the actions now that will maintain those social programs.

Mr. Young (Gloucester): Mr. Speaker, I guess trusts are not as sacred as they used to be.

CUT IN ESTABLISHED PROGRAMS FINANCING

Mr. Douglas Young (Gloucester): Mr. Speaker, last fall during the election campaign we heard a lot of talk about good management and good managers.

My supplementary question is directed to the Prime Minister. In view of the fact that there has been a $2.9 billion cut in EPF funding and medicare and post-secondary education will fall increasingly under the responsibility of provincial Governments, is the policy of the Government with respect to management to switch the responsibility for maintaining essential programs to provincial Governments across the country because the federal Government cannot fulfil its responsibility?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member neglects to say that there will be a substantial increase in Established Programs Financing, in the order of $25 billion for the next five years, relative to the last five years. We are maintaining our commitment to these important programs.

The Hon. Member has to realize that if we do not get this debt problem under control, because our interest costs as a percentage of our revenues are far higher than the provinces and the impact they have on interest rates is so much higher, we will leave a mess to our children, which we believe is not the right thing to do. We must get this problem under control and we are committed to doing that.

Oral Questions

NATIONAL REVENUE

INCOME TAX DEDUCTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. He knows that today is the last day for Canadians to send in their income tax return. He also knows that probably the most offensive aspect of his Budget is the hypocritical claim that Canadians are being asked to pay fairly, that the burden is being distributed fairly.

Will the Minister admit that since the Conservatives were elected in 1984, the richest 1 per cent of Canadians, those who drive around in their BMWs, will have an income tax reduction of $905, including this Budget? That is a $905 tax cut while the average family has had an increase of over $500 in income tax since the Conservatives were elected.

• (1430)

My question is directed to the Minister of Finance. Is it fair that with this Budget the rich will pay much less and the average family pays much more once again?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is using very selective information. If he looks at this Budget, he will see that a single person under 65 will pay $2,175 as a result of personal income tax changes. That applies to an individual earning $200,000. If that person is earning $30,000, the increase is $80. That is a significant difference. To put it in terms of percentage of income, it is .3 per cent for the lower income levels and 1.1 per cent for the upper income levels.

I ask the Hon. Member to remember what we have done in removing a number of tax loopholes, some of which I referred to in my previous answer. We have taken many measures, and I have yet to hear any acknowledgement from the NDP that we have done these things. I have also yet to hear any suggestion from them for new measures.

CAPITAL GAINS TAX

Hon. Edward Broadbent (Oshawa): The Minister of Finance's nose should grow a foot in length after that statement. He has received all kinds of suggestions from this side of the House. He did not admit that the richest 1 per cent of Canadians are paying over $900 less tax since this Government was elected in 1984. I say to the Minister of Finance, that is a disgrace.

My question is directed to the Minister of Finance. He was meeting his constituents on the weekend. I see in a newspaper report that one of them had the audacity to ask him why the Government was continuing with a complete exemption of capital gains tax up to $100,000. In the United States, Americans pay taxes on capital gains. In the Minister's riding, as elsewhere, if you make $100,000 in capital gains, you do not have to pay one cent. The Minister said: "We don't think it is appropriate to close that gap. It is a principle we want to establish into the future". Is the principle that the rich will continue to get a free ride?

Hon. Michael Wilson (Minister of Finance): I want to tell the Hon. Member what the principle is. The principle is that we want to encourage growth and investment in this country. We have narrowed the gap significantly between normal income tax rates and investment tax rates designed to encourage investment and job creation.

I ask the Leader of the New Democratic Party, is he against that particular provision going to farmers and small business people? It is directed to those people. That is how jobs are created in this country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I say to the Minister, don't give us that stuff. The rich are paying less than when you were elected in 1984.

[*Translation*]

But the Minister mentioned taxes on small businesses. The Minister knows very well that in the United States, there is a minimum tax on profitable corporations. Instead of imposing a minimum tax on profitable corporations here, the Minister of Finance increased taxes on small businesses.

Why this unfairness? Small businesses will pay more with this Budget, but many profitable corporations will not have to pay a cent. Is that the Conservative justice?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me summarize some tax changes in this Budget. There is a new tax for high corporations that will increase the total amount of corporate tax revenues by over 7 per cent. We have increased the personal income tax surtax, including a high income surtax. Those taxes have been increased by 2.3 per cent, a good deal lower than the increase on corporations. We have also increased substantially, in fact doubled the refundable sales tax credit to help those people in lower income brackets.

We have increased the tax rate on small businesses from 12.4 per cent to 12.8 per cent. It is not a large increase, but one that asks small businessmen to share in the burden of fighting the problem of our national debt. That is the direction in which we are headed. We must share and spread the burden so that people who are capable of paying more will pay more.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM EUROPEAN PARLIAMENT

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of a delegation from the European Parliament led by Mr. Roberto Costanzo.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF SECRETARY-GENERAL OF NATO

Mr. Speaker: I also want to draw to Members' attention the presence in the gallery of Doctor Manfred Worner, Secretary-General of NATO.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

CLOSURE OF MILITARY BASE AT PORTAGE LA PRAIRIE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Minister of National Defence. We saw on television over the weekend the shock, disappointment and even disbelief of hundreds of military and civilian people in Portage La Prairie over the abruptness and suddenness of the announcement to close their Armed Forces Base. As we have heard here today, many others share the same boat. Can the Minister give this House the military and economic rationale behind the plans to close the base in Portage La Prairie?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the Hon. Member knows, there are three ways of reducing expenditures and putting dollars forward to acquire the necessary equipment. The socialists on my right are suggesting we should cut the bases in Europe. I want to say that will not happen. Our continued commitment to NATO and the people there at this time and the numbers in Europe will be maintained.

Some Hon. Members: Hear, hear!

Mr. McKnight: In reducing operation and maintenance costs and in reducing capital and bringing into balance expenditures in the Department of National Defence, to personnel and capital, we can then provide the equipment that is necessary for the men and women who serve Canada.

CALL FOR ALTERNATIVE ECONOMIC MEASURES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): I want to zero in on the original question. I want to ask the Minister, in view of studies that have been carried out, what alternative economic measures are being considered by the Government to compensate the 13,000 people of Portage La Prairie for the devastating effect this loss of $120 million will have?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, no one takes pleasure in closing military bases. The necessity of those actions are when $2.74 billion are reduced from a Department. We must look at operation and maintenance, capital, and personnel.

The Portage La Prairie Base is used for preliminary training. That base will maintain itself until we have an opportunity to explore the options of contracting that training to commercial enterprise. They may very well choose Portage La Prairie for an operations base if that is the direction the Department takes.

* * *

THE BUDGET

CUTS IN REGIONAL DEVELOPMENT SPENDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. "We are in the process of building two Canadas, one which is rich and promising, and another which is underdeveloped and underemployed". Those were the words of the Prime Minister on March 17, 1987. In light of the Prime Minister's words two years ago, I wonder how the Minister of Finance can justify a cut-back of 21 per cent in spending on regional development from this fiscal year to next fiscal year? How does he justify the slashing and cutting of 21 per cent in the poorest parts of Canada?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first of all, the facts state that over the last four years regional spending has increased by 50 per cent. The facts also state that as a result of this Budget there will be an increase of a further 35 per cent on top of the amount of spending that we have had over the last five years.

In terms of improving a better balance of economic activity across the country, surely the Hon. Member will agree, because he has stated it on a number of occasions, that we must get interest rates down. The only way that we can get interest rates down is to get the annual deficit down and get control of the national debt.

The Member has to stop speaking out of both sides of his mouth. If he wants to get interest rates down, he has to get the annual deficit down as well.

JUSTIFICATION FOR CUTS IN SPENDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the facts also state in his own Budget papers on page 68 that there will be a 21 per cent cut between fiscal year 1989–90 and fiscal year 1990–91.

Will the Minister explain to the people of Canada how he can justify a cut in the next fiscal year of $90 million in regional development funding for Atlantic Canada? How can he explain a cut of $109 million in Quebec? How can he explain a cut of $28 million in Ontario? How can he explain a cut of $66 million in western Canada?

How can the Minister justify those cuts to the poorest and most disadvantaged parts of Canada in light of the fact that the Prime Minister recognized it as a problem two years ago?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the Minister of Finance pointed out and is clearly evident in the documents, regional spending will continue to go up as it has.

I find it passing strange that members of the New Democratic Party state that we should cut support for business, and then state that we should spend even more than we are spending in terms of contributions to business through our regional development programs.

Are members of the NDP in favour of more support to business regionally? If so, that will be factored in in terms of the next Budget. If Members opposite are opposed, why are they complaining?

In any event, if Members opposite look at the numbers objectively, and not from the perspective of class warfare which the NDP seems to be locked into, they will see that there was an increase.

* * *

TRADE

FREE TRADE AGREEMENT—DISMANTLING OF PROGRAMS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, during the election campaign the Prime Minister stated that the Free Trade Agreement would have no effect on regional development programs, would have no effect on agricultural subsidies, and would have no effect on the supply managed sectors.

My question is directed to the Minister of Finance. Will he now stand in the House and say that the Prime Minister and his Government have once again deceived the Canadian public? This Budget is only the beginning of dismantling all the unique programs that we have in Canada, the programs that make agriculture and our farmers so great.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is absolutely no connection, no association whatsoever between the measures that we have taken in the Budget and the Free Trade Agreement itself.

Many times during the election campaign I pointed out that, if we do not get our deficit and our debt problems under control, that will totally undermine any benefits that will come from the Free Trade Agreement. The debt and the deficit problems are there standing very large and must be dealt with, with or without a Free Trade Agreement.

AGRICULTURE SUBSIDY PROGRAMS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, Canadian farmers are good people and they do not deserve an answer like that.

On Friday we found out that the United States Government has accused Canada of restrictive trade practices. One of the areas the Americans mentioned in their hit list is that of freight rate subsidies.

Surprise, surprise, Mr. Speaker. What do we find in the Budget? We see that the At and East grain and flour

subsidy program is being cut. There are also other agricultural cuts that the Americans demanded. There are cuts in crop insurance, cuts in the Canadian dairy export subsidy program, cuts in the Prairie Grain Advance Payments, and a partial termination of fuel tax rebate programs.

Why does the Minister of Finance not admit that his office did not make up the Budget, but in fact the office of the Minister for International Trade made up the Budget, and that he had already given up negotiations on agricultural subsidies before they even began.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the premise of the Hon. Member's question is absolutely false.

We are now seeing a bit of what the Liberal finance critic talked about when he said that every sparrow that falls is going to be blamed on the U.S.-Canada Free Trade Agreement. Here is a good example.

* * *

CRIMINAL CODE

PORNOGRAPHY

Mr. Bill Attewell (Markham): Mr. Speaker, my question is for the Minister of Justice. When the election was called last fall, one of the important Bills that died was C-54, an Act to amend the Criminal Code regarding pornography. The Government has talked repeatedly about the vital role of family life in our nation, and the need to bring in tough legislation to at least deal with the publication of certain despicable types of pornography. I refer to the sexual exploitation of young children.

Is the Minister really sensitive to the concerns of thousands of Canadians on this issue? If he is, how soon will he bring in legislation?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my colleague is correct. Bill C-54 died on the Order Paper. Before it did, it provoked a great deal of public discussion. Two of the areas in which there was a general consensus were child pornography and pornography depicting violence. Those two areas are being actively studied by the Ministry at the present time.

THE BUDGET

LEAK OF DOCUMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Justice and it concerns the cause of the Budget leak.

Last week the Prime Minister referred to the leak as "a crime". The Finance Minister referred to it as "a wilful criminal act". The Solicitor General referred to it as "a very serious theft". The Justice Minister himself referred to it as "a theft".

My question to the Minister of Justice is the following. Is it still the position of the Government of Canada that the Budget leak was caused by a criminal act?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the House will know that this matter is presently being investigated by the RCMP. The charges, if any, which are laid, will obviously have to await the outcome of that investigation.

POSSIBLE CRIMINAL ACTION

Mr. John Nunziata (York South—Weston): Mr. Speaker, last Thursday and Friday Canadians were led to believe, in fact they were told by Ministers of the Crown, that the Budget leak was caused by a criminal act. Today the Government is not so sure.

Can the Minister of Justice indicate to the House and to Canadians what has changed? What has caused him and his Government to change their minds?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, in all discussions surrounding this event one has to be very careful as to who said what.

Mr. Broadbent: You said one thing and the Prime Minister said another.

Mr. Lewis: That is absolutely false. During the telecasting of the evening the comment was made by someone on one of the telecasts that it was a crime. That has been taken up in the vernacular. There will be no discussion on this event until the criminal investigation is finished.

• (1450)

SECURITY AT PRINTING BUREAU

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Supply and Services. It also concerns the leak of the Budget, in particular the security at the main printing plant in Hull.

Last Thursday, the Minister of Supply and Services in response to being asked why extra security personnel at the main plant had not been hired this year, as was the case for previous Budgets, said to the House "all precautions that have been taken in previous years were applied again this year".

Can the Minister of Supply and Services tell this House why he made that statement when, in fact, no extra security had been hired this year contrary to what was done in previous years? In addition, why was this less than accurate information provided to the House?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, it is unfortunate that the Hon. Member does not know what he is talking about. The facts are that five years ago the Budget level of security then in place was applied on a 365 days a year basis. It has been fully in place for the last five years up to the exact period of two and a half weeks ago. When we published this year, there were ten extra security personnel.

[*Translation*]

SAFETY NET–GOVERNMENT'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to direct my supplementary question to the Minister of Supply and Services. Last week, he said categorically that the same amount of security was provided for the Budget this year as in other years. Today again, he gave us an answer. He still has not told us whether it was the same amount. Is he ready to admit that the extra security provided in other years was not provided this year? Yes or no? Can he tell us once and for all instead of skirting around the issue?

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, if the Hon. Member is talking about the number of people, I said there were ten more this year than there were last year. That is an increase. That is an improvement.

I would also like the Hon. Member to know that over a period of time, five years, three years, different techniques are used. Two years ago we had security specialists in. We have adopted some new methods. But we have had the same overall strategy and method used in the last three and four years. This year we had even more people.

AGRICULTURE

NATIONAL DROUGHT PROGRAM

Mr. Vic Althouse (Mackenzie): Mr. Speaker, last November 10 during the election the Minister for Grains and Oilseeds announced a $850 million National Drought Program and wheat producers were told to expect between $40 and $45 per acre in aid. Four days later the Minister said that there was no cap on the money, that if the $850 million was not enough there could be more.

Since then we found out that the provinces were never consulted and were not to be part of the funding. Yet we see in the Estimates $425 million or half of the amount. What happened to the program? Where is the money? Will farmers still get $40 or $50 an acre?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, what is happening? The program is well under way. As of the beginning of this week we have over 50,000 cheques in the mail which amount to approximately $200 million to farmers.

If the Member is wondering about what is going on as far as the Estimates are concerned, he should know that some of the money went out in the previous fiscal year. The Hon. Member shakes his head. Perhaps it would be better if he shook his hand because it wouldn't rattle quite as much as when he shakes his head.

Some Hon. Members: Oh, oh!

Mr. Mayer: The Hon. Member should know that part of the money went out in the previous fiscal year. Some of it is going out now. If supplementary estimates are required, that will happen. But essentially nothing has changed from the time that we announced the program last November 10 and nothing at all has changed since the Estimates last Friday.

TIMING OF PAYMENTS

Mr. Vic Althouse (Mackenzie): We have checked with officials, Mr. Speaker. The $425 million takes into account all of the moneys from the previous Budget and the previous allocations. There will only be $425 million allocated for this program. The next set of supplementaries never come until September or October. The Minister has assured us time and time again that this payment would be out before the end of June. Where will the money come from?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, there were consultations with the provinces, contrary to what the Hon. Member says. There are still ongoing consultations and the program is one on which we are still working with the provinces. The money will come and when farmers get it they will be very grateful for receiving it. It is something that they need and they are going to find useful in June and July. The Hon. Member is a farmer. He is one of the only farmers on the other side of the House. He will know that in June and July farmers need money to pay fertilizer bills and that money will be there. As I said, nothing has changed from last November when we announced the program and nothing at all has changed since the Estimates were announced on Friday.

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[*Translation*]

SPACE AGENCY

LOCATION OF AGENCY—ELECTION PROMISE—GOVERNMENT'S POSITION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Prime Minister. I don't have to remind the Prime Minister that the decision to locate the Space Agency in Montreal came as a result of broad consultation, after seeking a consensus throughout the province of Quebec.

Could the Prime Minister give the House the assurance today that the Space Agency will be built in Montreal? Otherwise, how does he intend to explain to contractors, unions, academics and the media that once again, the Tories failed to keep their promises?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I made an announcement in Montreal, on March 1. I quote from the announcement of that day:

[*Translation*]

Canada's Space Agency will be located in the metropolitan area of Montreal, a centre famous for its excellence in the aerospace industry.

[*English*]

That was a decision I announced, and that decision remains.

[*Translation*]

POSITION OF PRIME MINISTER

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, the Minister's reply is a clear indication there was a fight about this in Cabinet. It seems that the Minister for the South Shore won and the Minister responsible for Montreal's economic recovery and development lost. I would like to put the following question to the Prime Minister. Since his Minister who was formerly responsible for Montreal was labelled as insignificant by Laurent Picard, what is the Prime Minister going to do to ensure that the Minister of Labour, who is now responsible for Montreal, is not labelled as a weakling?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all I think these comments are rather unusual, coming from a gentleman like the Hon. Member. As far as I know, Laurent Picard never made that kind of remark about anyone.

Second, the Minister went to Montreal. He held a press conference, and he indicated the Government's intention to locate the Space Agency in the metropolitan area of Montreal. That was exactly what he said at the press conference. To us, Montreal is Greater Montreal, the metropolitan area. Is the Hon. Member trying to say that the people on the South Shore or the North Shore or west of Montreal are not allowed any hope of prosperity? To us, Montrealers and Quebeckers are first-class citizens. All of them.

[*English*]

Mr. Speaker: A single question for the Hon. Member for Lambton—Middlesex, please.

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AGRICULTURE

CROP INSURANCE—AMOUNT OF FINAL PAYMENT

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds. I want to remind him that he was the one that made the announcement on November 10 of $850 million in drought and crop assistance for Canadian farmers.

An Hon. Member: Do you have a speech, Ferguson?

Mr. Ferguson: The Minister included $30 million in Governor General warrants. There is only three hundred and some million dollars in the Estimates for 1989–90. Can the Minister come clean and tell Canadian farmers when they will be getting their final payments and how much they will amount to?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, let me say again that the program was announced on November 10 and nothing has changed. The program is well under way. Some of the Member's neighbours are getting cheques. I think when he goes home and talks to them he will find that out. Nothing has changed as far as the Estimates are concerned, tabled last Friday by the President of the Treasury Board.

Let me also remind the Hon. Member that this is the Government that provided $1.1 billion worth of assistance a year ago because of low prices and this is the Government that provided $1 billion two years ago to assist farmers.

Again, if the Member wants to go home and talk to some of his neighbours who participated he will learn that they very much needed the assistance, and we were happy to be able to provide it for them.

We are on record as being able to provide assistance for farmers when they need it and the same applies concerning this program, Mr. Speaker.

Mr. Speaker: The Hon. Member for Vancouver East, a single question please.

* * *

• (1500)

THE BUDGET

IMPACT ON SOCIAL PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Finance who promised to protect those in greatest need.

Why has the Government cut $16 million from Secretary of State programs for new Canadians, women, native Canadians, and minorities, when their advocacy groups have no other source of funding and they are absolutely essential to work for equality?

In particular, why has there been a punitive 50 per cent cut over three years for the National Action Committee on the Status of Women? Is this fair?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, as everybody else in this Government has been saying, and I concur entirely, the debt had to be controlled.

There has been some restraint. We have seen our program funding curtailed by some $10 million over the next program year, but indeed we will still have $450 million to assist groups working toward equality and social justice in the areas of multiculturalism, citizenship and official language programs. That is an increase of over 23 per cent over the last year.

Some Hon. Members: Hear, hear!

* * *

CRIMINAL CODE

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Girve Fretz (Erie): Mr. Speaker, my question is about the value of life. I would like to direct my question to the Minister of Justice.

When will he introduce legislation to protect the lives of the unborn?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Borowski decision by the Supreme Court cleared the way for active consideration of this matter.

I can tell the House that that consideration is taking place and that we are working toward cabinet and caucus decisions in the near future in order that this matter may come to a decision and be brought to the House.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Order. When the House rose at one o'clock, the Hon. Member for Yorkton—Melville had the floor.

Mr. Nystrom: Madam Speaker, I only have about two minutes to go. I want to reiterate to Members of the House that we have a chance here to stop this borrowing Bill. This borrowing Bill is part of the Budget of Canada, which we all know as that big tax attack on the ordinary Canadian people. An increase of $700 for every average Canadian family is being imposed by this Government across the way.

We have a chance to say no in terms of the Budget, and a chance to say no in terms of the borrowing Bill. It has been the most massive tax attack, the most massive tax grab in the history of this country, imposed by the Conservatives on ordinary people.

Second, the Government does not have the courage to bring down interest rates. We are now at the highest real interest rate in this country since the 1930s, and the Conservative Party with its high interest rate policy is hurting ordinary Canadians, driving up the national debt, and throwing more people onto the unemployment rolls. It is about time that we know.

There has been one Conservative Member for Portage—Interlake who has had the courage to get up and say that he may lead a revolt of back-benchers. I hope more Conservative Members of Parliament will join him and lead a revolt against this Party across the way that is raising taxes, raising interest rates and throwing people out of work.

As I mentioned in Question Period, in regional development spending alone, for the net fiscal year the cut-back will be 21 per cent, or $293 million. This is a penalty on the poorest and the most disadvantaged people of this country. It is a penalty imposed on northern Ontario, the Gaspé, Newfoundland, and western Canada. The time has come to say no, and to say no massively to the Conservative Party across the way.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I do not know how many times I have risen in this House and spoken on a borrowing authority Bill. It is before us again in this Parliament with roughly the same kinds of moneys that we have been faced with far too many times.

It would be good if we could get some common sense from the Opposition. It would be good if we had some suggestions on what to do. My friends on the other side speaking on this Bill say that you cannot have the money and that you have to spend more money. Presumably they do not understand the facts of life. The fact is that despite many, many cut-backs in this Budget, the amount that we are going to wind up short on a budgetary basis is $30.5 billion.

We have done some work on the national accounts, and of course that determines the amount of money we really must borrow. Because of money coming into the Government through pension deductions and other funds that the Government has, the Government will really only have to have a total of $20.5 billion as a borrowing requirement for further borrowing for this year.

On top of that we need a contingency allowance. We need some money to replace the money that will be coming in as revenue in the balance of things in the exchange account. We need some money to pay for the money that has already been borrowed this year on Governor General warrants. The effect of this Bill is a requirement to authorize the borrowing of up to $25.55 billion.

Let us say some things about the financing of any country. When we have a Budget we have to determine from where we are going to get the money. We can do that by taxing more, but we have been told that the people of the country are to have a tax revolt and that historically we are the Government that has taxed the most. We have been told that we cannot tax any more. Perhaps we are being told that we cannot even tax what we have taxed.

We have also been told that the other way of handling it is to spend less. However, every single bit of spending program where there has been an iota of cut in this Budget has been attacked by the opposition Members. Every single bit of spending, where there is an iota of cut, has been attacked. They do not have the common sense to say: "You did not cut enough". They do not say that we should cut more. They say that somehow, somewhere, a little bird will come down and give us the money.

I suppose there is another way. We could print it. That is really the suggestion that comes from the Hon. Member for Yorkton—Melville (Mr. Nystrom). He stated that we have to cut interest rates. He states that how we do that is as the Governor of the Bank suggested. We print the money, we have the problem solved, we pay our bills and the growth of the economy will cure the debit. To cure the debit, we just go ahead and print it. He says that we will cut interest rates that way.

Has he ever look at the interest rates of countries where they in fact handle their debt that way? Has he looked at the interest rates in Argentina, Brazil, Israel or Yugoslavia. That is how they did it there. That is the mess they are in. He would have us pay our bills with the printing press because that is the only other way. We either tax it or we spend less or we print it unless we borrow it. I do not like borrowing any more than he does. I wish we were not borrowing any money. We are borrowing far too much money. I do not think that there is a Member in this House who can proudly stand up before his or her family and say: "I have been part of a House of Commons that has put the country in the hole by $321 billion, and I am going to put you in the hole by another $25 billion by the time I am finished this year". Are Hon. Members opposite really happy about that?

• (1510)

Some Hon. Members: No.

Mr. Blenkarn: None of us are happy about that. We have an obligation as Members of Parliament to do something about it. We do not do something about it by saying: "Oh, I am not going to bother worrying about mathematics. I am not going to bother worrying about the facts of life". Something can be done about it by cutting the appetite we have for government programs. We can do that.

We have a series of committees in this House, some 21 of them, that have Estimates referred to them. Those committees could sit down with the bureaucrats and the Ministers involved and go over those budgetary costs line by line. They could say: "You can get rid of this, or you can get rid of that. Cut it down". Where are the resolutions of members of the Opposition that can be placed right now on the Order Paper to cut down government expense? We do not have to vote the Estimates the way they are presented. They could be cut back. If some good reason could be shown as to why they ought to be cut back I am sure there are all sorts of people on this side of the House who would say: "Aye, aye. Let us do that". Do Members opposite say that? No, no, no. Listen to them, Madam Speaker.

The Member from Pembroke, who is a member of the Liberal Party, talked about the Post Office this morning. He said: "You should not take any money out of the Post Office. Let it keep its $300 million. Cut postal rates or something like that but spend more". With respect to UI he said: "It is terrible, you are being unconstitutional. Spend more". With respect to VIA Rail he said: "The heart of the nation is at stake here. Spend more". Concerning Atomic Energy of Canada he said: "Keep your corporations. Do not privatize them. By golly, do not sell good assets to the private sector where they really will make money. Spend more and keep them in the control of the Crown".

Let us turn to what the Hon. Member for Yorkton—Melville (Mr. Nystrom) said. He said: "My goodness, it is an attack on social programs. We are going to tax back, claw back, money paid to pensioners who have over $50,000 of taxable income. My goodness, we can't do that. By George, we have to protect the rich no matter what in terms of universality. We are going to borrow the money to pay it to them. We are going to print the money to pay it to them. But they will be universal". Members of the New Democratic Party believe in social justice for the rich. The other day the Leader of the New Democratic Party stood up and asked a question of the Minister of Finance (Mr. Wilson). He asked about teachers on pension. Presumably, there are teachers who receive pensions in excess of $60,000. Some of them are going to lose some of their old age pension. Is that not sad? Is it not sad that we have to say that we cannot afford all the things we would like to give and all the things we would like to take?

When will members of the Opposition come back to us to say: "It is about time we gave for Canada. It is about time we did something for Canada. It is about time we did not grab everything we could". The job of a Member of Parliament is not to take, take, take and to pretend to one's constituents that somewhere behind Parliament Hill there is an orchard where money can be picked off the trees. It is time we had an honest Opposition.

Some Hon. Members: Oh, oh!

Mr. Blenkarn: It is time we had the view of members of the Opposition with respect to what is fair to make the country grow.

We have a problem with our debt, but it is not as bad as it was when we took office in 1984. The amount of our borrowing requirement was 6.7 per cent of the Gross Domestic Product. In other words, we had to go out in the marketplace to borrow 6.7 per cent of the Gross Domestic Product just to break even. This year we will have to borrow 3.2 per cent of the Gross Domestic Product. That is less than one-half of the borrowing we had in 1984 in terms of the burden on the economy. The dollar amounts are not that far different. However, they are not what is concerning us.

Mr. Milliken: It should be.

Mr. Blenkarn: The dollar amount borrowed in 1983–84 was $24,700,000,000. In 1984–85 it was $31,850,000,000. In 1985–86 it was $30,200,000,000.

The fact is that we have reduced the requirement in absolute dollar terms. We have reduced the requirement as a percentage of Gross Domestic Product to less than half of what it was. However, that is no answer. The debt gets bigger and the amount of money required to carry it gets bigger. If we add $25 billion to the gross this year at 10 per cent interest it will amount to $2.5 billion. At 12 per cent interest it comes out to $3 billion in additional interest. This means that right now our debt is reaching what amounts to a critical mass. The country has to grow and taxes have to grow by just $3 billion more in order to cover the additional interest on the additional debt. That is a real problem for any government.

We are in the position of having to come to grips with that problem. In the Budget we hope to be able to reduce the demand to 0.3 per cent of the Gross Domestic Product in the 1993 borrowing authority Bill. We hope in 1994 not to have a borrowing authority Bill. We hope then to pay back some of what we have borrowed.

Mr. Riis: Hope, hope, hope!

Mr. Blenkarn: My friend says that if one hopes enough it will go away.

Mr. Riis: Do something.

Mr. Blenkarn: We have been doing something. However, we have not had the co-operation that we should have had, particularly from a Party that claims that it is trying to build a country. It is not easy to solve the various problems and demands in this widespread country.

I have a colleague who is really upset by the fact that military cut-backs may wind up closing his base in Portage. I have colleagues who are upset because perhaps the train will not go through their constituencies any longer and that perhaps VIA Rail will have to close. I have colleagues who are concerned that perhaps we have to sell more corporations. I hope we do. What we have to do is get rid of the debt. We have to get the country to the point at which we pay our bills as they come due with the taxes we take in. We cannot go any longer and forever and ever extend the obligation on to our kids, our grandchildren and our great grandchildren. That seems to be the attitude of my friends opposite. Every time we try to cut back an expense or do something to conserve, they complain. Every time we increase taxes, they howl. When we present a borrowing authority Bill, which I think is a terrible Bill, they say they do not like it either. Somewhere along the line we have to take our medicine. We can either print more money, tax more money, spend less, or borrow. They do not want us to tax more, and they do not want us to cut our spending even to the extent that we have.

• (1520)

Perhaps we should go and print it. I do not know. If we print it, we will wind up without an economy at all and all our savings and our futures will be gone. Or, we can borrow it, gradually reduce our borrowing needs and bit by bit get our country back in shape. There is no easy answer to it.

We could follow the example of New Zealand. It had the same problem in 1983 when its Labour Government took over. It had a deficit of 8 per cent of its Gross Domestic Product.

In four years New Zealand pushed its Government into surplus. It had unemployment of 1 per cent when it took over. Now it has unemployment rates of 12 per cent and 13 per cent.

When David Lange, the Prime Minister of New Zealand, was here last week and was questioned about it, he said: "We decided that we would pay our bills and that our population would have to pay the penalty. We knew when we did what we did with our cut-backs and our hard action that they would. We are not at all surprised about the level of unemployment. Frankly it will be there for some short period of time".

I do not know what is his idea of short, but the fact is that that is another answer. We have decided not to take that route. We have decided to continue on with a whole host of programs to assist agriculture, to assist regional development, to assist the creation of new industries and businesses in remote parts of the country.

If we take a look at the Estimates, we will find that in almost every case the amount of dollars spent next year is more than the dollars spent last year. The fact is we are spending that money. Perhaps we should not be spending it, but we are spending that money because we do not want to create the kind of situation that Mr. Lange created knowingly, with malice aforethought, the way the Labour Party operated in New Zealand.

My friend says that the Labour Party did that deliberately, with malice aforethought. Perhaps that is what we ought to do, or perhaps this Labour Party would have us do what the Labour Party has done in Israel. That Labour Party turned on the printing press. It made it so that its currency is not worth anything. In Mexico—there is another Labour Party—you do not quote the price of a house in pesos; you quote it in American dollars. Nobody will take their money.

An Hon. Member: A Labour Party in Mexico?

Mr. Blenkarn: I believe it has socialist in its name. I am sure my friend does not like it, but the fact of the matter is that we are trying to build a solid economy. We do not like borrowing. We wish we did not have this Bill. We think we must unfortunately present this Bill. We want to say that this Bill is a solid, fair answer to the problems that the country faces.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gauthier: Madam Speaker, in Bill C-11 before the House today, the Government is asking for the authority to borrow $24.8 billion, as may be required for public works and general purposes.

Madam Speaker, we know that a substantial part of the $321 billion debt which Tory Members like to blame on a previous Government— We know that this debt has doubled in the past two years. We know there is a lot of rhetoric about this debt. I want to ask the Hon. Member who is, after all, a man to be taken seriously, a Member who is known in this House for his understanding of economics— There is a substantial part of this so-called debt which is caused by the Government's borrowing of public monies. I am referring more specifically to the Canada Pension Plan which represents about $49 billion of this debt. I am also referring to public service pension plans, including the RCMP and the Armed Forces. This is another borrowing authority regularly used by the Government, and one that it must record in its accounts.

There are aspects of this so-called accounting that need explaining, and I would take the Hon. Member at his word and ask him quite simply, in public, to explain to the House which part of this public debt he so deplores. So many of us do, but I want to know which part he deplores more specifically as chairman of the Finance Committee? What part of this public debt is really money received by the Government in the form of contributions from so many Canadians who work for the Government, including the Armed Forces and the RCMP, and the contributions we all have to make to the pension plan? What proportion of the debt is the result of accumulating these debts over the years, money that is owed to Canadians?

[*English*]

Mr. Blenkarn: The $320 million is the amount of money owing by the Government of Canada to bring into good standing the pension advances made. One of the reasons this borrowing authority Bill is not for the deficit of $30.5 billion and only for $20.5 billion is those particular situations the Hon. Member speaks of.

Those are obligations of Canada and are included in the $320 billion. They represent something in the order of $80 billion of the outstanding amount. About $50 million, unfortunately, is owed either to foreigners, the balance to Canadian pension funds, life insurance, Canadian individuals and savers. That is a very great sum. The whole amount is owing. The whole amount eventually must be available. What we are talking about in this Bill is money borrowing from the street, not from ourselves so to speak.

Mr. Riis: Madam Speaker, Bill C-11 is a Bill to borrow $24,800 million. If we listen to the exciting speech of the Chairman of the Finance Committee, he talks about the need to reduce the debt and the deficit. Everyone agrees.

I have two specific questions to put to the Member. First, there are not many things that we look to the United States and say: "Listen, that is not a bad idea; maybe we should adopt that in Canada". I know the Government thinks that we should adopt almost anything American, but there are some good items.

Mr. McDermid: Your Leader keeps suggesting that.

Mr. Riis: Yes, the Leader of the New Democratic Party today said that maybe there was a lesson we should take.

I want to ask a question of the Member. Down in the United States when one makes income from capital gains by speculating on the stock market or in land or whatever, one pays tax on it. As a matter of fact, almost every country in the world taxes capital gains as income, but not this Government. Oh, no. As a matter of fact it says that if one speculates on the stock market or on anything and make $100,000, one does not have to pay a single penny in income tax.

An Hon. Member: That is not true.

Mr. Riis: Let us just say that one has a $100,000 capital gains tax-free, whether or not one likes it. We are one of the few countries in the world that does not consider capital gains as regular income but privileged income. Of course, that is to be expected from that Government.

• (1530)

Second, why is there a provision in this country whereby 89,000 large profitable corporations do not pay a single penny in income tax? Will the Hon. Member identify one other country that would allow this for tens of thousands of large profitable corporations, including for example the Bank of Montreal for some years, the Royal Bank for some years, General Motors for some years, and Mobile Oil? Why would we not tax these companies when they make hundreds of millions of dollars in profits but do not pay one cent in income tax? Can he identify another country that would allow this to take place?

If he wants to reduce the deficit in a fair and just way, perhaps it is about time we started asking the large corporate sector to pay their fair share. Right now they pay nothing, in many years. As well, the Government should start taxing capital gains as regular imcome.

Mr. Blenkarn: Madam Speaker, I will answer the second question first and the first question last. He will be pleased with the Budget. Large corporations with over $10 million in assets will now pay a minimum corporate tax.

Mr. Riis: What rate?

Mr. Blenkarn: The rate is not as large as it might be, and maybe the tax has to be altered. We will be dealing with that matter in the Finance Committee.

I want to point out to the Hon. Member that we are now in a situation where every corporation with over $10 million in assets, whether it makes money or loses money, will be paying some form of corporate tax. That is even if it is losing money.

Most people normally say one should not pay tax if one does not make any money. But even if the company loses money it will be paying this minimum corporate tax. For that reason, I am surprised that the New Democratic Party has not stood on their chairs and cheered, instead of walking out.

Let us deal with the capital gains. The Member will know that the United States is the only industrial country in the world that taxes capital gains at the full rate. He will also know that the United States will probably alter its rate almost immediately to reduce substantially the capital gains taxation it has.

In Germany, if the gain is over 10 years it does not tax it. The United Kingdon indexes capital gains at the rate of inflation. A year ago the Finance Committee suggested that capital gains tax be indexed to the rate of inflation. The Hon. Member will know that advisers to the NDP agreed to that. He will know that this position has been put forward to the Government. There may well be some changes in our system.

In any event, what we do right now is tax all gains this year at 66 per cent of the gain as taxable income. Next year it will be 75 per cent of the gain as taxable income.

Mr. Riis: There is $100,000 tax-exempt.

Mr. Blenkarn: There is an exemption over the entire lifetime of a person of $100,000, which makes it possible for the ordinary sensible young Canadian to buy a cottage or something of that nature and not have to worry about paying tax on it. It makes it possible for that ordinary Canadian to buy a share in a small business and if it goes up he can get away without paying tax on it. The ordinary person can be exempt from some minor amount of taxable income in his lifetime.

I do not know what ordinary people are, but it seems to me that is ordinary help for ordinary people.

[*Translation*]

Mr. Douglas Young (Gloucester): Madam Speaker, I welcome this opportunity to take part in the debate today on a bill to provide borrowing authority, a very important piece of legislation.

[*English*]

I think there is a great deal of justice in the House that perhaps happens accidently. I was interested in listening to the hon. chairman of the Finance Committee. I am not surprised why he sits so far to the right.

The chairman of the Finance Committee said that we should make suggestions, that the Opposition was very negative, that we opposed everything in the Budget and could not find anything that was appropriate. One of the advantages to that is that it puts us in with a majority in this country.

As the Budget unfolds, whether in the House or outside the House, we recognize more and more that big business, small business, labour, people on low income, people in middle income brackets all seem to be unhappy with the steps the Government took.

The suggestion I would venture to make to the Minister of Finance (Mr. Wilson) and the Government with respect to their spending and revenue plans is that they respect the people of Canada enough now that the election is over to tell it like it is. I find it extremely difficult to listen to people suggest that the Opposition should explain to Canadians how to play the fiscal and monetary game. Government Members tell Canadians through their elected representatives that we should be explaining how we would tax, what we would tax, what we would not tax, what programs we would cut and what programs we would expand.

The problem with this spending request by the Government and its Budget is not just the leak and the fact that we are dealing with a lot money, it is that Canadians pay billions of dollars into the coffers of this country on the basis of trust and credibility. Every year around this time people are much lighter in their wallets and bank accounts. Many people fill out their income tax returns on their own, and voluntarily send money to the Government. The problem is that those people who are expected to be honest in dealing with their revenue and expense matters are not at all convinced that the Government is dealing with its finances in the same way.

The reason I have great difficulty listening to some Members opposite when we get into these discussions is that it is very difficult to tell what their position was last fall. For them to ask people on this side to explain how we would go about it is a real conundrum. Last fall members of the Government had access to the books and knew the situation. The Minister of Finance told us last fall that everything was rosy and well managed. We were told that they were the people who could really take care of the finances of this country, that the Government had a proven track record.

What has become of that rosy forecast? How dare those Members suggest to us that we are being irresponsible when in the space of five or six months we have gone from a Government that says it can spend $15 billion or $20 billion on election promises—

Mrs. Sparrow: That is better than the $26 billion you were talking about.

Mr. Young (Gloucester): What was that?

Mrs. Sparrow: $26 billion.

Mr. Young (Gloucester): The fact of the matter is that what we said last fall did not wash. That is why we are sitting over here.

Mrs. Sparrow: That is right.

Mr. Young (Gloucester): You should be forthright enough, courteous enough to excuse yourself to the people of Canada for having misled them last fall. That is what you should do.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will speak through the Chair. It would be appreciated.

Mr. Young (Gloucester): Certainly, Madam Speaker. I hope anyone intervening would do likewise.

The situation we are faced with not only concerns borrowing money or spending money, but misrepresentation. Some want us to believe and want Canadians to believe that the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) last fall did not know how bad things were. Otherwise, they misled us.

The chairman of the Finance Committee said earlier that we cannot have it both ways. Our problem in dealing with Canadians and making sure that we can maintain some trust and integrity in the system is that the Government must be far more forthright than it has been. The Prime Minister and the Minister of Finance have often talked about the question of fairness when answering questions about the Budget. People in this country are prepared to face the reality of what the deficit and the debt are doing to Canadians. They have great difficulty, however, in believing people who try to misrepresent that some time this year, in 1989, our total debt will have doubled in the period of time, Madam Speaker, Members to your right have sat in government.

• (1540)

Within five years, the total debt will have doubled from $170 billion, yet over and over Members ask Canadians to trust them. The Minister for International Trade two weeks ago in the House said that last fall in Newfoundland—and he was absolutely correct—there would be no changes to the UIC legislation that would be detrimental to workers in this country.

In effect we are asking Canadians today to write a cheque. That is what it comes down to. Senior citizens and people at home, people who have to manage nickels and dimes and dollars, tens of dollars and hundreds of dollars, have great difficulty grasping the idea of $28 billion. It is unfortunate that people administering those funds are not as careful as our senior citizens and single-parent families in managing their funds. They are not as careful as students at university who are hardly able to get through because of cut-backs in post-secondary education.

To continue to ask Canadians to share this burden, they must believe that the burden is being shared equally and fairly. They also must believe that the money they are paying into the Government or the money the Government is borrowing is being well spent. I think that is where we are falling down on the job.

It was interesting to hear people speak of universality being preserved in this Budget. Sneaking in the back door and attacking anyone who raises the question of the threat to universality on the basis that we are defending people who make between $50,000 and $70,000 a year is a neat trick. The fact is that once the threshold is set in, it can be and will be changed just as a result of inflation. Those programs are threatened. It is not fair to say that people making between $50,000 and $70,000 a year are being protected. The question is: When will the Government change it?

What will we do with the national sales tax? When the sales tax was introduced, accompanying it was the term "revenue neutral". The Government will implement this new national sales tax on January 1, 1991. The Government undertakes that the tax will be revenue neutral. In the meantime, put the taxes on Canadians: excise; gas; cigarettes; alcohol. Better than that, institute an increase in the manufacturers' sales tax. Billions of dollars are being added in 1989 and 1990 to make sure that when we get into revenue neutral, we have squeezed the well so dry there will be nothing more to take no matter what type of tax is brought in. That is what happens to trust and credibility when people begin to fathom and look through all the rhetoric, thick books, the Estimates and the rest of it. That is what people are beginning to grasp. It is not a question of whether one program should be cut or expanded, whether this tax should be raised of that one reduced, or whether low-income families are being hit harder than middle-income families, or whether high-income families are getting away unscathed. There is a fundamental breach of trust here.

We have heard much talk about Ministers of Finance who should resign or who should not resign or who did resign or who did not resign, depending on the circumstances. In this particular situation, I believe the exercise in terms of the budget leak is one that may be of some interest. It shows up a problem of abuse if insiders were able to take advantage of the leak because they were able to get to their brokers or able to get involved in transactions that helped them out and put them in a position to profit by the leak.

I must give the Minister of Finance the benefit of the doubt. He must have believed what he said last fall about how good things were in Canada. If, after four years of holding the portfolio, he did not know any better last fall than what he was saying, compared to what he is doing to us this spring, that is why he should resign, not because somebody walked out with a Budget or left one somewhere or somebody found one. The problem for the average Canadian is what to do with a leaked Budget that will be passed by this Government? That is the problem for Canadians, not how it happened, who did it or why they did it. It is the attack on the universality of programs. It is the attack on regions of the country.

I was sorry to see the Chairman of the Finance Committee leave. At the very outset, he exhibited an attitude that some people in government have, that we punish people who did not do the right thing on November 21. People in Chatham, New Brunswick, believe that today. People in Summerside, Prince Edward Island, believe that today, that they are being punished. People in Atlantic Canada believe they are being punished because we did return more Members to the left than to the right, more Liberals than Conservatives. We will pay a price because of the attitude of some people who feel that Government and its largess should be directed to those who have supported them.

All of us collectively should find a way to have Canadians believe that there is a commitment to telling them the truth, to telling them what is really happening. Why is it that Canada cannot balance its Budget? Why is it that a tax system appears to be unfair? Why is it that politicians say one thing in September, October and November and then do something else four or five months later? Individuals that I spoke with last weekend were not worried about why the Budget was leaked but, rather, why Parliament did not sit in January, February and March. They wondered if it was specifically arranged to leave as big a gap as possible between the big lie and the harsh reality. That is what it comes down to. Canadians are getting wise. It is not to our advantage to

have them become any more cynical than they already are.

When we deal with the Budget and this particular Bill, we must recognize that it is not just an exercise to discuss our own petty grievances. We are in a position to discuss matters that Canadians are talking about more and more. Every Canadian has had to deal with what the Finance Minister has brought before us. We are dealing with a Bill that will provide borrowing authority for the Government to pick up some $24.8 billion. I am sure it is just coincidental but that is roughly the amount the Finance Minister hopes will be the deficit next year. It is beyond the wildest imagination of every Canadian to deal in real terms with this figure of $28 billion. They deal with hundreds of dollars and thousands of dollars. They deal with buying groceries. They deal with the uncertainty of those people who cannot buy a home. What will the sales tax do to them? What is the impact of this Budget on their daughters and sons? What will the impact be in regions of the country where any type of reduction or slowdown in the economy will be disastrous?

• (1550)

I do not believe for a moment that the Minister of Finance (Mr. Wilson) or the Prime Minister (Mr. Mulroney) had any intention of telling us that they were wrong last fall in the promises that were made, for example, to elect the Minister of the Environment (Mr. Bouchard). It is amazing that hundreds of millions of dollars could be committed and in part spent last summer as though the bank vaults were open and there was no problem at all, because we have to get my friend into the House of Commons and into the Cabinet.

However, when we are talking about UIC benefits and the privatization of the Unemployment Insurance Program then there is no money from the Government at all. There is not a reduction, there is no money at all—unless, to be fair, there is a major catastrophe or a tremendous sense of urgency. If we continue with high interest rates, with deficit financing, and this type of borrowing, and the slowdown that many people are predicting in the economy, that urgent and emergency situation will undoubtedly come about. It is not something that anyone looks forward to.

In closing, I hope the Government will recognize, as we all do, that there is not much choice in the matter. Canadians have not become totally acquiescent. They understand that it has gone a long way. The chairman of the Finance Committee suggested that someone might start a tax revolt. Politicians do not start tax revolts. They cause them.

Mr. Nunziata: I wish to congratulate my colleague on an excellent speech. I would like to indicate to him and to the House my serious concerns with respect to the Budget and the money the Government wants to borrow in order to meet its commitments. I am also concerned with what the Budget will do and what it has done to the social safety net that has taken years and years to develop. That social safety net makes Canada unique. For example, I am speaking of the Old Age Security Program, the Unemployment Insurance Program, the Family Allowance Program, the day care system, and the transfer payments that go from the federal government to the provincial governments. I am shocked that the Government should break its solemn commitment to the people of Canada with respect to the social safety net. I am also very concerned in terms of the impact it will have on Canadians and Canada generally in the years to come.

If we could turn the clock ahead a few years, perhaps to the years 2000, I shudder to think what the country will be like in the year 2000 and the years beyond with respect to those least able to help themselves. For example, what will happen when there is no longer an effective Old Age Security Program, or an effective Family Allowance Program, both of which are no longer universal? What will happen when the Government pulls out its funding with respect to day care, education, and health care? Those programs make Canada unique and make it the envy of the world.

I would like to ask my colleague about his concerns and his predictions in terms of that social safety net, and what may or may not be left of that safety net in the years to come, and the impact that it will have on future senior citizens, future single-parent families, and on future unemployed in Canada.

Mr. Young (Gloucester): The point I am trying to make, which many of us will have to look at seriously, is the whole notion of trust and credibility. Canadians are prepared to share the burden, if they think it is being done fairly. Unemployment insurance, family allowance, and old age pensions are a sacred trust. We must not allow the trust of Canadians to deteriorate to a point where they become cynical. I have listened to people talk about New Zealand, the United States, and about other countries and how they do it. This country is very special in how it deals across the board with men and women in every part of the country. There are basic standards, basic programs, universal programs, and programs that allow people to deal with their future with some degree of security.

In answer to my friend's question, I would say that the biggest danger we face is that Canadians may lose confidence in the country and its ability to provide programs for the young, the elderly, and people with less opportunity. That is the beginning of what we are seeing now. There are thresholds of $50,000 to $70,000. The manner in which universality is being attacked is disguised. UIC is privatized. Regional development programs are cut back, which makes it tougher for regions in some parts of the country.

With the experience of deindexation of family allowance, selling off Crown corporations, and the types of things we see in the Budget, all Canadians will become more concerned about that net of support that has been out there for so long.

Mr. Karygiannis: I want to congratulate my colleague for bringing up some important points to the House. I am sure he will recall that back in 1984 the debt was $170 billion, and now it has almost doubled. The Government is asking us to pay for it.

The Hon. Member across the aisle is laughing. This is not a laughing matter, Sir.

Mr. McDermid: Who else is going to pay for it? Don't be so silly.

Mr. Karygiannis: You are going to turn around and tax us at 9 per cent. Your mismanagement, Sir—

The Acting Speaker (Mrs. Champagne): The Hon. Member should go through the Chair in his comments, please.

Mr. Tobin: I rise on a point of order, Madam Speaker. I support what you are saying. The Member is a new Member, but he is a very wise and intelligent one. I am sure you would want to make clear that all Hon. Members, including Ministers on that side of the House, ought to go through the Chair with their comments.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member has understood what the procedure is, and I am sure he will be careful.

Mr. Karygiannis: The Government's mismanagement, and my hon. colleague across the aisle happens to be part of the Government—

Mr. McDermid: And proud of it.

Mr. Karygiannis: The Government is proposing a 9 per cent tax on small business. Would my hon. colleague advise the House how this will affect the small business community in his riding? How will they be able to bear this 9 per cent, and how will they be able to manage it?

Mr. Young (Gloucester): The proposed federal sales tax will be a boondoggle for small business. We understand the unsuccessful efforts by the Government to try to arrange a program with the provinces where the points of collection and the bureaucracy involved would be far simpler. The fact that the federal Government has decided to move unilaterally will make a morass of the whole collection system. It is to be put in on top of the provincial programs, with the exception of Alberta, where there is no provincial sales tax. How is the Government going to collect it? How much red tape will there be? How much more time will be spent by small, medium, and big business is something no one looks forward to.

I am sure there will be a great outcry from the private sector to make sure that in whichever manner the Government proceeds it does it a little more efficiently than some of the other things it has been doing in the last few weeks.

Mr. McDermid: I have a couple of questions for my hon. friend. First, he made a comment on the 9 per cent sales tax. It is the intention of the Government to introduce draft legislation early this summer in order that those businesses and those individual Canadians will have an opportunity to comment before legislation is brought into the House. There will then be a period of one year to adjust before the tax is put in place. He says that businesses will object to it. It is just the opposite. I did one-third of the pre-budget meetings. Businesses, without exception, encouraged us to change the 12 per cent, now 13 per cent, federal sales tax and to get into a broader based sales tax.

• (1600)

Mr. Manley: Did they encourage you to raise it?

Mr. McDermid: I would just leave that comment with the Hon. Member. He will have plenty of opportunity as will the public to participate in that program as he has had over the last two years in discussing tax reform which his Party supported.

Mr. Nault: I thought you were going to ask a question.

Mr. McDermid: Yes, I did, but this is comments and questions so the new Member can understand how it works.

The Hon. Member was talking about the safety nets and the programs that we have and we want to protect. Yet, at the same time, he is saying that everything should remain as the *status quo*, that we should not tackle this deficit problem. I understand he has a great deal of experience in the provincial Government and as he is now elected to the federal House perhaps he could give us the position of the Liberals on how they would, in fact, tackle the deficit problem?

Mrs. Campbell (South West Nova): We are not the Government. You are the Government.

Mr. McDermid: Here is a former Minister saying "We are not the Government. It is not our problem". What I am saying is that it is everybody's problem, every Canadian should be concerned about the debt. She sits there and says, "We are not the Government. We are not going to tell you how to do it." What an irresponsible statement from a Privy Councillor. I cannot believe it.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): The Hon. Member for Gloucester.

Mr. Young (Gloucester): Madam Speaker, I am very pleased to get an opportunity to respond.

The one thing I would say to you and to my hon. friend through the Chair—

An Hon. Member: Honourable friend?

Mr. Young (Gloucester): I think all Members go through enough in here that they deserve to be called honourable no matter how they behave.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Young (Gloucester): The thing that I want to make clear to my friend is that the tackling of the deficit and the huge debt in Canada is serious.

The Minister of Finance did not recognize the problem last fall in October and November because he did not say much about it and was still planning on spending a lot of money. However, the one thing the Liberal Party will never do is eliminate the debt on the backs of the elderly, the kids in universities, and the UIC recipients. Nor will we cut back on medicare and EPF funds to the provinces. That is one thing we will never do.

Some Hon. Members: Never!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Kingston and the Islands (Mr. Milliken)—Canada Elections Act—Chief Electoral Officer's Report/Composition of Commission of Inquiry; the Hon. Member for Thunder Bay—Nipigon (Mr. Comuzzi)—Air Safety—Pearson International Airport—Effect of recent government measures/Testing of measures prior to implementation; the Hon. Member for Dartmouth (Mr. Macdonald)—Unemployment Insurance—Unemployment in black community—Effect of changes to system/Expenditure of funds—Request for affirmative action stipulation.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I appreciate having the opportunity to speak on this important Bill today.

Bill C-11, as has been noted by other Hon. Members, provides the Government with the authority to borrow $25.5 billion to meet its requirements for the next fiscal year. That is an absolutely frightening number. Most Canadians and probably people in the Chamber can hardly comprehend that in any significant way because it is a number which is beyond anything that most of us would deal with on a day to day basis.

However, we have to consider when we are looking at the borrowing requirements of the Government in what kind of situation the finances of the country are and the budget squeeze that has brought this requirement about, to realize just why we require these funds.

What are the alternatives? Very few or none have been provided by the opposition Parties, even though they have criticized this measure. People must understand what we are doing to work ourselves out of this problem, so that within the next three to four years we can come here following a federal Budget and not be required to present a Bill like this one and continue borrowing.

On this side of the House we are not prepared to dismiss the fiscal position of the Government and to ignore the problem as if it did not exist. If we take a look at government expenditures, and I would like to consider two or three of the larger expenditure areas of government, we can clearly see why it is that we are driven to this additional borrowing as well as putting in place the tax measures that we have.

Senior citizens' pensions represent the largest single expenditure of the Government, in the neighbourhood of $15 billion a year.

Those pensions are indexed so that every year the amount we spend on them will increase by the amount of inflation, running currently at about 4 per cent, so we have an approximate 4 per cent increase simply as a result of that.

Second, the population is growing older. There are more and more people turning 65 and entitled to those pensions.

The result of inflation and people turning 65 will require the Government to find an additional $1.5 billion this year, just to maintain the existing program, not to improve it, enhance it or increase it.

Let us take a look at a similar situation, the transfer payments to provincial Governments. This is money the provinces use for such things as health care and education. Those amounts are indexed or driven by a formula that provides the provincial Governments an amount each year increased by more than the rate of inflation.

A third element is the interest that the federal Government will pay on the debt. I will speak more on this later. That interest will increase this year by an estimated $6.5 billion. Just to stay where we are and maintain the fiscal position of Government, we need to find an additional $9 billion because of the changes to those items. This means no change in government policy, no growth, nor any increases. This is just to stay where we are to continue with seniors pensions, support for health care and education that most Canadians believe are fundamental requirements of any Government.

Where do we find that $9 billion and any additional amounts that might be required for any other demands placed upon the Government? We have three alternatives. We can cut or reduce other programs, we can increase taxes, and we can borrow additional money to finance the expenditures of government.

The current Budget has all three. I am not going to stand here and pretend to suggest that these are popular measures. I am not even going to suggest that I am particularly happy about any of them. I am somewhat embarrassed to say that we will borrow $25 billion to continue the operation of government. I find it incredible that the opposition Parties would not recognize this situation and offer anything more constructive than we have heard from them today.

We on the government side are prepared to take the necessary steps, even though some may be unpopular. I heave heard there is a sign over the door in the Department of Finance. On the way in it says "Watch Your Step". On the way out it says, "Watch Your Language". Some of us may need to put a similar sign above our doors, because I expect that we are going to face a fair degree of criticism over the next few months as we explain to Canadians why these measures are necessary.

Some people say that we should put more emphasis on expenditure reduction. I have just mentioned three areas of government expenditure that represent over three-quarters of the Government's spending. Only 16 per cent of government spending is directed toward the operation of government salaries for civil servants and paper for them to shuffle. When most people talk about cutting back on expenditures, they are not talking about pensions nor transfers to provinces. What they are generally talking about is that area of operations of government where they believe there are large sums of government waste.

• (1610)

While I do not believe for one moment that we should discontinue our vigilance, which has been duly noted by the Auditor General in his reports in the previous years whereby he has suggested that the Government recently has made a lot of progress in this area, I think we have to realize that when 16 per cent of government spending represents all of those operations, we are not going to be able to find the kinds of sums we need just by reducing expenditures.

There is also a criticism that has been made that taxes represent too large a share of the requirements we have found, and expenditure reduction is not enough. I would like to say two things in that regard. First of all, taxes show up immediately in the government's finances. Taxes show up immediately the day they are implemented, such as the gasoline tax, which can begin to be collected right away. Spending reductions take longer. Even though we may make certain adjustments with regard to military expenditures, Crown corporations and other operations of government, the fact of the matter is that the announcement today does not translate into the reduction tomorrow. As all Members understand, it takes a considerable period of time to wind down these various operations before any cost savings are achieved. So these measures we have taken on the expenditure side do not have their immediate impact tomorrow, but we will see them over the months and years ahead.

I would also like to make mention of one other area, and that is the question of some of the claw-backs in government expenditures. Again, these measures do not show up directly as a reduction to government expenditures, even though the net effect is the same. The reason for that is that when we use this claw-back procedure, what essentially happens is that the people receive the payment, whether it is the family allowance payment or the pension cheque from the Government, on one side, and then we turn around and tax back some of those benefits for people with incomes of over $50,000 a year. What that results in is an increase in both numbers. We show up an expenditure on one side and a reduction on the other, whereas if we were to take the net difference only and report that on the expenditure side, the picture would look somewhat different. I think Members should be aware of that when hearing suggestions that perhaps we have not done enough on the expenditure side. In reality, there have been a lot of expenditure reductions that will only come into fruition over the next months and years. As well, some of these measures will show up on the tax side rather than on the expenditure side.

I would like to make mention of one of the comments made earlier by the opposition Parties. They have suggested that we should be doing more in terms of taxing large corporations. We have increased taxes for large corporations in this Budget to the degree that I have not heard any of them suggesting that they think they are particularly happy about this Budget. I would like to deal with one particular number that we keep hearing in this Chamber—we heard it this afternoon, and that is the suggestion that there are 89,000 large corporations in Canada that pay no income tax. That is absolutely false. First of all, there are not 89,000 large corporations in Canada to begin with. There are, in fact, 2,208 large corporations in Canada if we use the definition set out in the Corporation and Labour Union Returns Act.

An Hon. Member: An exaggeration.

Mr. Dorin: We have an example of an exaggeration once again from the socialist Party, where rather than recognizing that there are 2200 large corporations in Canada, they suggest there are 89,000. This serves to assist them in perpetuating the myth that somehow there are vast numbers of people with great amounts of money that we could find, and somehow ignore the fact that all Canadians really must share in what we are trying to do.

I would like to address another matter briefly. The reason I would like to do that is that I see the Hon. Member for Nanaimo—Cowichan (Mr. Stupich) is in this Chamber. He and I, I must say, have something that we share in common, although it was amazing to me last week to discover this, and that is that we are both chartered accountants. I did not believe there were any chartered accountants in that party.

An Hon. Member: What a shock.

Mr. Dorin: I was shocked, I must admit.

One of the other myths that we often hear propagated by the socialist Party, the NDP, is the suggestion that somehow there are deferred taxes around that corporations have not paid and that we should collect those, and if we did we would have no deficit. The fact of the matter is that unfortunately my profession is responsible for using some language in the preparation of financial statements and financial accounts that is not entirely correct, in my view. I have protested this and made that suggestion, because in fact what are commonly called deferred taxes have absolutely nothing to do with taxes payable to the Government. They have nothing to do with current taxes owing on that corporation's financial statement that they should be paying. What they are is a suggestion or a provision by companies that somehow there may be some tax payable in the future. Therefore they feel that they should record something just in case that time might come, whereas in reality there is no actual tax liability outstanding.

I know that the Member from Nanaimo—Cowichan understands that, and I am hopeful that he will correct those other Members in his Party who continue to put forward this suggestion that there is someone out there who owes this amount to the Government. In fact it is not true. Even if we were to take that as true and snap all that revenue immediately from those corporations, it is still an amount that is less than $30 billion, which would not eliminate the deficit and certainly would not have anything to do with the debt in this country, which is over $320 billion. Even if we accepted what is totally incorrect and is untrue but is a myth that is being suggested by that party, there would in reality be very little impact on the situation we find ourselves in today.

I would like to make a couple of comments with regard to the progress we have made so far and what we can hope to see over the next two to three years. The fact of the matter, as was pointed out earlier by the chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), is the borrowing requirements for this year have been reduced down to approximately $20 billion per year this year. That is considerably less than the deficit, and there are reasons for that.

By 1990–91, by two years from now, following along with the various measures that have been provided in the Budget presented by the Minister of Finance (Mr. Wilson) last week, we will have managed to contain the growth of the national debt to less than the growth in the Gross National Product. That is a very important step and a very important point to reach. If a Canadian has a debt of $10,000 and a salary of $20,000 on which to service and pay that debt, he will find himself in a very difficult situation. That is the situation of the Government of Canada today. But if they are able to get to a position whereby their income is increasing at a more rapid rate than the debt they owe, they will find themselves with room to pay the debt, to reduce it, and eventually work themselves out of the situation. Within two years under the measures that have been provided by the Minister of Finance in this Budget, we will be in that position.

By 1993–94 we will be in the position, all other things being equal, that the Government of Canada will no longer have to borrow money to finance its expenditures. On the basis of accounting similar to the United Kingdom and the United States, if we measured it the same as they do, we would have no deficit at that point in time.

I think I can say that while I am unhappy that we have to do this today, that we have to present this Bill and ask again for the Government to be provided with an additional $25.5 billion, this will hopefully be one of the last three or four times we will have to do this before we can come back and report that in fact the Government will be receiving more money than it is bringing in and we are reducing the national debt.

• (1620)

There is one final point that is worth making. It is that the Government is now receiving more in revenue than it is spending on programs. If we did not have the legacy left to us by the former Government, a situation which has forced us over the last three to four years to borrow these large amounts of money, then we would no longer have to present the kind of Bill that we have here before us.

We are paying our own way as a Government now. We are addressing the question of the debt that was accumulated over the last 20 years, most of those years being the responsibility of another political Party. What I recommend to the Members of this House is that, reluctantly, we should support this Bill. We should support the request of the Minister of Finance. If we stick with him, in three or four years we should no longer need to borrow these large sums of money. That will be a day which we will all welcome. I certainly look forward to it.

Mr. Keyes: Madam Speaker, I have some difficulty with a problem that has arisen not only with a constituent in the great riding of Hamilton West but one which has probably been raised in other ridings. A constituent of mine came to me and said: "Why is it that I have spent many, many years paying my taxes and contributing to UI and, when I find myself unemployed suddenly and want to collect UI, something I have paid into for so many years, the Government's view is that I will have to be taxed back. However, I make $51,000 per year. I have paid my taxes in the beginning and now I will be taxed back on the UI benefits I wish to receive". Quite simply put the constituent wonders why he is being penalized for being a good financial manager, something which this Government is obviously not.

Mr. Dorin: Madam Speaker, first, the constituent in question is not being penalized at all. If I understand the Hon. Member's question correctly, he is suggesting that someone who earns $51,000 per year is not eligible for unemployment insurance benefits, or that they would have them taxed back. That is simply not the case. There is nothing in the Budget that I am aware of that provides for anything like that. There is no taxing back of unemployment insurance benefits. However, I might have an opinion as to whether or not there should be. I might suggest that it should be looked at but the Budget does not do that.

I say to the Hon. Member that unemployment insurance is meant to be exactly that. Therefore what we have done is we have said that the premiums will be paid by employees and employers. The employees will receive the benefits should they become unemployed. Insurance is insurance. When one buys auto insurance or fire insurance for one's house a premium is paid. If one has an accident or one's house burns down then one collects the benefit. That is exactly the case with unemployment insurance. There is no taxing back provided for in the Budget.

Mr. Barrett: Madam Speaker, I was interested in the comments made by the Hon. Member for Edmonton Northeast—

Mr. Dorin: Northwest.

Mr. Barrett: The Hon. Member's directions are about as confused as his economics.

Mr. McDermid: You are the one who is confused.

Mr. Barrett: Is the Hon. Member aware that the Government does not charge any interest on deferred corporate income tax? I would like to know where one can borrow $30 billion and not be charged one penny of interest because one calls it a liability. Is the individual taxpayer allowed to do that? To assist the Hon. Member, the answer is: "No". If we are to take his figure of $30 billion owed by corporations in deferred corporate income tax and apply a simple 10 per cent interest charge—and money cannot be gotten for that amount today—there is $3 billion short just on interest payments alone. Canadian taxpayers are subsidizing those corporations for that amount.

If the Government wants to save money and if it is concerned about the welfare of the taxpayer, why is it giving welfare of $3 billion on $30 billion worth of deferred taxes to these corporations? Is that socialism? It certainly is. It is a perverse form of socialism for the rich and to heck with the poor. Just stand up in this Chamber and suggest—

Mr. McDermid: Let him answer.

Mr. Barrett: I have a couple of other questions.

To try to lead the House to believe that the corporate sector of Canada deserves not only deferred taxes but a $3 billion hand-out because it does not pay a penny of interest is to suggest that the Canadian Government should label its whole debt as a liability and not pay any interest on it either. Is that not the system being used for the corporations? If it is good enough for the corporations, it should be good enough for those financial geniuses who almost doubled the debt in the four years they have been in power.

My next question for the financial geniuses over there who hand out money to the corporations is this. What is the Hon. Member's position on the Western Diversification Fund? I am from the West. The West has been shafted again. Yet there has not been a word uttered by that Member about the Western Diversification Fund. As long as it does not hurt big business then it is okay. However, the Western Diversification Fund is absolutely essential for people of the West to have at least a sense of fair play. What is his position on the Western Diversification Fund? Did he advocate that it be chopped? Let us hear him now. He can do it in front of the cameras. Then I can go into Edmonton Northwest or Edmonton Southwest and tell the people there how the Tories are fighting for the corporations here.

During the debate on cut-backs to unemployment insurance the Leader of the New Democratic Party and the Leader of the Official Opposition made the charge that this was the first move to harmonization to accommodate free trade. That was denied by the Government and by the Minister. The Minister said: "Oh, no, it is not the same. In the United States the federal Government does not participate". She defined the distinction and after her definition we learned that our federal Government was pulling out of the scheme. I have a question to ask the Hon. Member on this pull-out. Is this not harmonization, something that the Leader of the Liberal Party said was happening? Is this not the harmonization that the Leader of the New Democratic Party said was happening?

My questions are simple. I ask them so that I can explain to my constituents why welfare is being given to corporations without any interest being charged. I ask about the Western Diversification Fund. I ask him to tell us when the U.S. flag will be put up on UIC offices so that we will know harmonization is finally complete.

Mr. Dorin: Madam Speaker, it is not particularly difficult to understand why the current Member from Esquimalt—Saanich—

Mr. Barrett: Esquimalt—Juan de Fuca. Read the map.

Mr. McDermid: You got lost, too.

Mr. Dorin: He was the former Premier of the Province of British Columbia. He left that province in the mess it is today. In four years he destroyed the province's economy.

I wish first to deal with the question that he raises on deferred taxes. He asks why there is no interest on deferred taxes. It is because there is no money owing to anyone. He asks about individuals. Let me tell him that any individual has the right to do the same thing if they would like to.

Mr. Barrett: They have to pay interest.

Mr. Dorin: Any individual has the right to do the same thing if they would like to.

Mr. Barrett: If they pay interest.

Mr. Dorin: There is no question of interest because there is no tax owing. I would like to have a chance to answer.

Mr. de Jong: You cannot depreciate your car and your house. Individual taxpayers cannot depreciate. That is why they do not have deferred taxes.

Mr. McDermid: That is because there is no capital gains on houses. If you want to put capital gains on houses then stand up to say so.

Mr. Dorin: Madam Speaker, I would appreciate if Hon. Members opposite could sit quiet and allow me to answer the questions. I do not really want to engage in a battle of wits with unarmed opponents.

The Hon. Member asks why cannot individuals do the same thing. The answer is that they cannot. If one owns a Canada Savings Bond, or any bond, then one is required to pay tax, not necessarily every year but, for example, every third year. If one wishes, there is nothing preventing one from making a note for this year's income tax, even though one does not pay it or owe it because it does not have to be paid for three more years. One can make a note that one owes that tax out of this year's income and therefore be prepared and ready for it after the three years go by. There is no law saying that you have to pay it in advance or pay it now, but you know that three years from now there will be an amount owing. If you want to record that in your books at home, in your family accounts, in your cheque book, on the back of an envelope, however you record such things, you are perfectly free to do that. The fact of the matter is that you have free right to do that if you would like to make those provisions. However, nobody normally scrutinizes an individual's personal bookeeping. It is not normally a matter of public record.

• (1630)

The western diversification program will continue. In fact, it is continuing with increased funding. It is one of the programs that provide payments to businesses to allow them to expand, grow, and diversify the economy. I am not sure why the Hon. Member would suggest that on the one hand we are not supporting the corporate sector and on the other hand we are supporting it too much. I find it a very incongruous position.

Now the third question—I have to be very brief because I know my time is over—is with regard to UIC. The fact of the matter is there are only eight states that have unemployment insurance programs. They are all different. It would be foolish to suggest that somehow ours would harmonize with any one of them.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now terminated. Debate?

Mrs. Diane Marleau (Sudbury): Madam Speaker, I am speaking today on Bill C-11, which is a Bill to authorize this Government to increase our line of credit. This is the third part of our 1989-1990 fiscal trilogy. One should say tragedy. It started with the tabling of the Budget before the media—government by television at its worst—followed by the tabling of the Estimates, and now this third part. This is a very tragic time for Canada. This trilogy is being brought to us by the need to battle the deficit. The Conservative Government says it is battling the deficit. They certainly have not been too effective in that regard in the last four years.

Some Hon. Members: Hear, hear!

Mrs. Marleau: Now the deficit—we are not talking about the national debt here; we are talking about the actual amount the Government overspends every year. It would be nice if some day we could tackle the debt, get rid of the deficit. I will read to you an excerpt of an editorial from our local newspaper in Sudbury on Saturday: "The Finance Minister has some explaining to do to Canadians on the Government's economic policies. He might well start with the discussion of the rise of the public debt under the Tory regime, years during which he has occupied his present office. When the present Government took over from the Liberals in 1984, this debt stood at $170 billion. It is now at over $320 billion, and after this year's exercise it will be well over $350 billion".

Mr. McDermid: Does it say what the deficit was when you took over?

Mrs. Marleau: They have doubled the debt, Sir, and that is very serious. It is not a joking matter. Before and during the past election campaign, the Conservatives did not talk about the debt or the deficit. No. They went around and they spread money everywhere, all across the country. They made all kinds of great promises and got re-elected. But now they are breaking most of their promises. You know what they are saying? Economics dictate that you can break promises. Where was this big deficit and this big debt? It is like a newfound religion. It was there then. Why did you not come clean and tell the Canadian people what you were going to do?

Some Hon. Members: Hear, hear!

Mrs. Marleau: Now the Government has brought in measures to increase revenues. Doesn't that sound nice. What they have done is put forward a Budget that will create the biggest tax grab in Canadian history. They say they have brought in a wide range of spending cuts, but where? At the heart of our social programs. Despite that, we will still have a deficit of $30.5 billion at the end of this year.

I guess the biggest complaint I have is with the method they are using. They have not cut off the trough of pork-barreling funds. They are attacking the essential programs that are of benefit to the average Canadian. These cuts will hurt the average Canadian; they will hurt the average taxpayer far more than the corporate friends of the Conservatives. On the one hand the Government has reduced its cost by getting out of unemployment insurance. It is claiming a saving of $2.5 billion, which is at the expense of the people, I might say. Well, this does hurt. Not only are they cutting funding, but it is also harder to collect unemployment insurance now. They have made it harder for the average person to claim those UIC benefits. But what happens when the average person cannot collect UIC benefits? You know what happens? They end up on welfare. Who pays the bill for welfare?

The municipalities and the provincial governments. Who pays the bill for the provinces and the municipalities? The average taxpayer, the guy who saved all his life to buy that house, to clean it up and to make it look good. Maybe he does not have a whole lot of money in the bank because he spent that money on his home. He is the fellow who is footing the bill.

Some Hon. Members: Hear, hear!

Mr. McDermid: It is the same guy who was footing the bill up here, too.

[*Translation*]

The week after the election, Madam Speaker, the Right Hon. Prime Minister (Mr. Mulroney) said: "It is now my duty to realize the aspirations of those who said yes. No Canadian anywhere in Canada will be left behind."

That is what our Right Hon. Prime Minister said right after the election. It seems that they had not yet quite discovered the debt and the deficit problem. I must tell you that children are left behind. The Government has decided not to keep its promise to increase the number of day care spaces.

An Hon. Member: Where would we get the money?

Mrs. Marleau: Employees and employers are left behind. Ottawa is withdrawing from the unemployment insurance program and employers and employees will have to pay an additional $2.9 billion a year.

The provinces and those who live there are left behind. Transfers to the provinces are cut and the taxpayers will have to pay. What is even more serious is that Canadian families are left behind. They will have to pay higher taxes. They will have to pay more for gasoline and the new sales tax will add a huge burden, especially the additional costs families will have to pay to buy a house or for rent.

[*English*]

The changes in the UIC system are going to hurt the small businessman, the small entrepreneur, the average Canadian. It hurts everyone. But remember this: the Conservative Government is prepared to spend $1 billion, which they committed to the Hon. Member for Lac-Saint-Jean's riding to guarantee his seat, or should I say buy his seat in Parliament. That commitment is still going forward. They did not call that a promise because they had the money for it. On the other hand, they did say they would not touch unemployment insurance, but they certainly touched it. They leave in a commitment to benefit a few, and they cut out the ones that hurt every worker and every employer in this country. They said all along that the money is there. They said it during the campaign: this is not going to cost a penny. The money is only there when they want it to be.

• (1640)

I remind Hon. Members opposite that the Prime Minister made these promises personally. When Canadians had some difficulty believing him, he brought in the Hon. Minister of Finance who assured Canadians that the moneys were already set aside for these commitments. I guess this was a case of "don't worry, be happy". It turned out to be a case of vote now and pay later. They have insulted the intelligence of the Canadian electorate. The Canadian electorate will not forget it.

One of the Government's commitments prior to the election campaign was the funding of the Lloydminster heavy oil upgrader and the Oslo tar sands plant in Alberta. When these announcements were made it was the general feeling in the business and energy sector that these projects were not viable at the current world price. Yet the Conservatives are going to honour this commitment and pump $1 billion into these projects. We do not see any mention of cutting back on these projects in order to reduce the deficit. It is hard to understand how the Government can cut back on essential social programs, which hurt the average person but will help its rich corporate friends.

I remind the House of some of the clauses in the Free Trade Agreement that the Government pushed forward. We are committed to selling our gas and oil to the United States at the same price as we sell it to ourselves.

Mrs. Sparrow: That is right.

Mrs. Marleau: We will pour a billion dollars into subsidizing the development of oil projects for the benefit of our American friends. Personally, I think it is carrying friendship too far, especially when we cannot look after our own. Charity begins at home.

The Conservatives take away our child care and stop funding our unemployment insurance but guarantee better oil supplies for which our U.S. friends have a guaranteed push. That is ridiculous. I do not know where the Government sets its priorities, but it certainly is not with the interests of average Canadians.

[*Translation*]

We must say that the disadvantaged regions are even more disadvantaged. This Budget will have serious consequences for all provincial and municipal governments, disadvantaged regions and individuals. Cutting VIA Rail cuts services to those who need them most. And I can tell you that there are communities in our region that have no road, no air service, and depend only on rail transport. What will happen to these small communities?

Closing a military base like Summerside in Prince Edward Island kills a town, a region. That is serious! Cutting the budget for regional development condemns these regions to poverty. What do we want here in Canada? A country where only the rich in Montreal, Toronto and Vancouver have a chance for a decent standard of living?

An Hon. Member: You have the Schefferville syndrome.

Mrs. Marleau: Canadians have the right to live in all regions of Canada and enjoy a decent standard of living. With this Budget, the Conservative Government takes this right away from them.

[*English*]

We are being moulded by the Government to fit the demands of the Free Trade Agreement. We know that the only subsidy that has been defined in the Free Trade Agreement is the one dealing with energy. We know that for the remaining definition of subsidies the Government will not have to worry about unemployment insurance being included in that definition because it is out.

Regional development is crucial for my region. Again, funding is being tailored to fit the Free Trade Agreement. Right now, most of the projects that are being funded in my region deal with tourism projects. While I am happy that some of these programs are being funded, we need more than tourism. The forest industry is a good example of an industry that is in dire need of more help to survive. Will it get any help? No.

The Conservatives are giving up our subsidies even before we reach the negotiating table. They have also attacked the average Canadian by increasing the federal sales tax. It has increased the excise taxes on alcohol, tobacco, and especially on gasoline.

Let me explain what happens to those who live in the more remote areas of this country, and not just northern Ontario. For every penny a litre rise in the price of gasoline, it costs people that much more for every service and good that is purchased in northern Ontario. The cost is higher because it must be transported.

There is a double whammy. The sales tax is brought down and the tax is added to higher costs so that the poor must pay more. Is that fair?

It is no wonder the Minister of Finance lost control of his Budget. He must have been so confused about who he was helping and who he was hurting in this whole process that he forgot to watch out for the leaks. While the leak of the document is a serious problem, it is not as serious as the production of such a document. He should consider resigning over such a Budget. He is attacking and hurting all Canadians.

It is unconscionable to try to pass laws that hurt all Canadians while maintaining major subsidies for big business and indirectly for the American consumption of our natural resources. The Minister of Finance would have better served Canadians if the whole Budget had been lost and scrapped, and a new Budget struck, perhaps after listening to some of the feedback he will get. He may still want to get that feedback because I think there is still time.

Obviously he has not been in touch with the people but has been talking to his friends on Bay Street. If he knew what the people needed we would not have this kind of Budget.

Another indirect way the Government is taxing Canadians is by this so-called dividend it will get from Canada Post. While the idea that Canada Post will pay the Government a dividend sounds lofty, it only means that it will increase the price of stamps to pay the Government another tax. It is another form of taxation. Again, the average Canadian will pay for it.

We have dealt somewhat with the transfer of payments to the provinces. The people of my area will remember that last year there were cut-backs in the transfer payment. The province had to hold back on some of its payments to the municipalities. It is very difficult for the municipalities to derive these funds, as the people in northern Ontario know.

We also know that the province does not have a lot of choice. It either cuts back on medicare or cuts back on funds to the municipalities. Again, the average person foots the bill. It is another tax.

Is the Government really tackling the debt, or is it just harmonizing our economy to fit into the trade deal? When one considers our deficit and how it continues to increase, I suggest the Government is not going to deal with the deficit in this year. They are certainly not cutting their own expenditures. There is still plenty of money to fund some of the Prime Minister's pet projects. There is still money available to advertise how great the Government is and what a great job it is doing. I will give you one example of its skills. On tax reform, taxation was to be simplified. This was to be a new era in taxation. When you look at the Estimates and read down to taxation, the Government has increased person-years by 226. This is due to our new simplified tax. What a joke.

• (1650)

[*Translation*]

We must say that this is a bad Budget. Canadians are being asked to tighten their belts to reduce the deficit, but it is still going up to $30.5 billion this year.

[*English*]

The end does not justify the means. The end is not happening. We are not reducing the deficit; we are increasing it. The means are aimed at the wrong people.

Mr. McDermid: There were a number of issues raised in the Hon. Member's speech that I could debate at great length, but I will just mention a few of them. Let us start with the Post Office.

The Post Office this year will show a very slight profit. Four years ago the taxpayers of this country were paying a $400 million grant to the Post Office. Eighty per cent of their business comes from business, so it was an indirect grant to business. Now the Post Office is at a break–even position. That is saving the taxpayers' money.

The Hon. Member opposite makes it sound like the little guy pays the taxes at the municipal and provincial levels and somewhere in Canada there is a great big money tree where all this money comes from. The Hon. Member talked about energy and megaprojects and says that at today's current prices these are not economical. In the same breath, her energy critic is saying that we are not planning for energy self–sufficiency down the road. These megaprojects do not come on at the turn of a switch. They take years to bring onstream. The Hon. Member for Newfoundland knows that full well. I want him to stand up today and tell us that we should stop, cut off, and forget about the oil development fields, Hibernia and Newfoundland. No! He knows that we must go through this process so that down the road, when energy sources are running out, we have a plan. Is the Hon. Member opposed to that? I want to ask her that.

My next question would be on the lumber agreement. The Ontario Government had a windfall of some $50 million off the 15 per cent lumber tax in the last year and a half. Has the Hon. Member opposite made representation to Premier Peterson to take that windfall money and reinvest it in the lumber industry in northern Ontario?

Mrs. Marleau: Do you know what I am for? I am for telling the truth. Where was the Hon. Minister during the campaign? He did not tell the people of Canada what would happen. When we were debating the free trade bill, where was the Minister? Was he telling the people of Canada that we were selling out our energy supplies in the long run to the Americans?

Some Hon. Members: Hear, hear!

Mrs. Marleau: He did not.

Mr. Tobin: I know all Members of the House, regardless of their political stripe, would join me in congratulating the Member for Sudbury (Mrs. Marleau) for an excellent presentation to the House today.

Some Hon. Members: Hear, hear!

Mr. Tobin: The great passion that was evident in her remarks, the great skill with which she made her points, the way in which she stood up not for the vested interests of the corporate towers of Canada but for the interests of ordinary Canadians is to be commended. We do not see enough of it.

Some Hon. Members: Hear, hear!

Mr. Tobin: I want to say in posing my question to my colleague from Sudbury that I thought she went directly into the heart of the matter when she pointed out to our friend, the chartered accountant across the way, who said: "I have examined the deficit and the debt and these brutal measures that go beyond cutting into the skin, through the meat, down into the bone, and sucking the marrow out of the collective life of Canada. I have examined this Budget, and I want to tell you that these cuts are in order because the debt is indeed severe". The Member from Sudbury got to the heart of the matter when the Member opposite said the issue is not what the size of the debt is. We know the Tories have doubled the debt. The issue is why did you not tell the truth during the election campaign?

The Minister for International Trade (Mr. Crosbie) is like some new creature that crawled out of the primordial ooze and discovered something called the "deficit". For the first time during the election we had a Minister of Finance, a Prime Minister, and a Minister for International Trade who said: "Every nickel has been accounted for. The deficit is under control. These $17 billion in promises are not a problem at all".

Last November the Conservative Party said: "If you vote for us, we will give you $4 billion for day care. If you vote for us, we won't cut unemployment insurance. If you vote for us, social programs will be sacrosanct and protected. If you vote for us, we will not cut regional development". And when they get elected, they cut every damned one of them. I ask my colleague from Sudbury, is that violation of the public trust not far worse than a violation of Budget secrecy? Should this crowd not resign?

Mr. McDermid: What have you been eating, Sprung cucumbers?

Mr. Tobin: No, only Tories eat those, and they now look like they were weaned on a pickle.

Mrs. Marleau: I couldn't have said it any better than my hon. colleague.

Some Hon. Members: Hear, hear!

Mrs. Marleau: To be honest, this is not a laughing matter. I do not want to hear any joking about this. I do not know how many of you would have been touched by these cuts, but I can tell you that all of the working women, single mothers, working families who have problems with day care and money, the Government has done nothing for them. The Government has not guaranteed their future, because it has not cut the deficit. It has not even started tackling the debt. Some day the Government must consider the fact that it has to be more responsible in what it says to Canadians. Canadians do not believe what the Government is saying. They have said they would not mind so much the cut-backs if the deficit were being cut.

Mrs. Sparrow: Madam Speaker, I wish to remind the Hon. Member for Sudbury (Mrs. Marleau) that this deficit did not just occur overnight; it has been growing for over 20 years. People that live in glass houses should not throw stones.

Let us go back to October 1968, when Edgar Benson was the Minister of Finance. The deficit was $400 million. The deficit jumped and jumped and jumped. When this Government took over in 1984, the deficit was $38.3 billion. We have brought that deficit down every year. We have cut our expenses every year. This is the first time since 1946 that any Party has ever done this.

Some Hon. Members: Hear, hear!

Mrs. Sparrow: The Liberal Government had the opportunity from 1968 through to 1984 to reduce the deficit and the debt. That Government did not. Its spending grew in the last few years by 24 per cent. No wonder Canadian people have mortgaged their lives away. There is no way Canadians can continue this way. The Budget brought down last Thursday morning by the Hon. Minister of Finance (Mr. Wilson) is the best one going. Canadians stand behind him, and we will not leave this on the backs of our children.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): It being five p.m., the House will proceed to the consideration of Private Members' Business as listed on the Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

REGIONAL DEVELOPMENT

REQUEST FOR INCREASED SPENDING

Mr. Steven W. Langdon (Essex—Windsor) moved:

That, in the opinion of this House, the Government should consider the advisability of increasing spending for regional development, focusing this spending on regions with a demonstrated need for assistance and ensuring that such spending is dependent on investment planning and job creation that may not otherwise take place.

He said: Madam Speaker, it is unfortunate to have to move a motion of this type at a time like this, but it is also very appropriate that a motion such as this should be in front of the House of Commons in the course of the same week as the debate on the Budget. This Budget takes a meat-axe to regional development programs across the country. It backs away from commitments which were clearly put before the Canadian people during the free trade debate. It presents an approach to what should be the most important part of economic development priorities which, instead of being generous, balanced, and fair, is very mean-spirited and cruel to the people of many parts of the country, and which, most important of all, is completely negative so far as the future economic development of our country is concerned.

I wish to commence by talking very briefly about some of the things that have struck me as a Member of Parliament who has been fortunate enough to have had the chance in the last House of Commons to see a great many parts of Canada, in the course of a variety of the special committees that looked at the trade issue, but also in the context of the jobs action group which the New Democratic Party took across the country to try to see to it that regional development patterns and inequalities were given the type of consideration that they deserved.

One of the things that stands out most in my mind is meeting families in Cape Breton Island where the children of pensioners could not rely on themselves and the work that they could get for their economic livelihood, but had to rely on the pensions received by their parents who were over 65 in order to be able to survive. One found household after household in which there were three generations living under one roof and were not relying on what could be earned through employment because the jobs just were not there or were being cut or eliminated, but instead were relying on pensions given to their parents and their grandparents in order to survive economically.

I can remember having the opportunity to visit the interior of British Columbia, part of the country in which people had put tremendous work into building up a future for themselves based around the production of grapes and the production of wine. In the course of the trade deal negotiated by the Government they had simply been wiped out. Nothing was put in the place of this activity to give people a chance to survive and to thrive.

I can also remember parts of northern Ontario which were hit very hard by the ineptitude of the Government in trying to negotiate some settlement with respect to the softwood lumber attacks from the United States, which ultimately led to a 15 per cent export tax that made it impossible for many towns and communities in northern Ontario to be able to survive.

These are the parts of the country that we in the House must consider when we think about regional development. These are the parts of our country that the Government has not looked at with humanity, seriousness, and concern for an economic future that should exist in a country as well endowed with resources and with human skills. Yet these parts of our country exist. The regional underdevelopment of many parts of Canada continues. The inequalities persist. Those inequalities create official unemployment rates—unofficial unemployment rates are much higher—of more than 16 per cent. For instance, I was told by people in Newfoundland that unofficial unemployment rates were upwards of 40 per cent to 50 per cent of the population unemployed.

What has happened in the face of this? In the last House of Commons, a House of Commons committee of which I was a part brought forward quite a good report on regional industrial expansion. It was a report which specifically looked at the industrial and regional development program of the Department of Regional Industrial Expansion. It concluded with a number of important recommendations. One recommendation which was completely unanimous among all members of that committee was that the federal Government should continue to maintain a strong role in Canada's regional development efforts, while recognizing the contributions that provincial and municipal Governments can and should make in this effort.

[*Translation*]

Another recommendation, Mr. Speaker, is that economically disadvantaged regions should receive assistance to diversify and strengthen their local economy. This economic development assistance should be given to them according to local economic needs.

[*English*]

Another recommendation was that communities and local development groups should be encouraged by the Government of Canada to accept greater responsibility in the planning and implementation of measures designed to promote the development of their local economy.

• (1710)

Finally, the regional development elegibility criteria for prospective business investments should be broadened to include all forms of business activities in all sectors of the Canadian economy.

What happened, Mr. Speaker, when this Government was re-elected, despite the strong set of recommendations that had come forward from a committee very much dominated by Conservative Members in the past House of Commons? What happened was a Budget which came into this House of Commons and which despite the efforts of the Minister of Finance (Mr. Wilson) to suggest otherwise has in practice decimated regional development programs in Canada.

If we take, for instance, the regional development funding from 1988–89 through to the perioid 1993–94 it is clear first that the peak of that development spending will in fact come this year, and it will come because there have been earlier Economic and Regional Development

Agreements that have been signed with the various provinces across this country. The peak, and I quote here from page 68 of the Budget papers—it says it was tabled in the House of Commons on April 27, and we all know that is not quite true—indicates:

> On a year-to-year basis, following a projected peaking of expenditures at close to $1.4 billion in 1989-90, annual funding provisions will be stabilized—

Stabilized is a nice word, is it not, Mr. Speaker? Unfortunately it is an inaccurate word in this case, because we read:

> —annual funding provisions will be stabilized at somewhat over $1 billion a year.

In fact, in any kind of real language, as opposed to the newspeak that this Government puts into place in its attempts to sell the Budget, that is a reduction. That is a major reduction, a reduction of close to 30 per cent from 1989-90 to the following year and the years that will follow from that at which the expenditure pattern will be a billion dollars.

The Minister has come back and suggested to us that in fact if you compare the five years previous with the five years in the future there is a great increase. But if you look at the comparison and the sections of the Budget provisions which the Minister is using for purposes of his comparisons, he has taken out of the calculation the major program, the Industrial and Regional Development Program, IRDP, which this committee talked about in the past and which has represented the major mechanism by which funds for regional development purposes went to the provinces in the past. If you take that out and not even consider it you are going to look good over the next five years compared to the past five years. But the program itself is dead. The Government permitted it to die despite the tremendous benefits IRDP gave to communities across this country and despite the tremendous work this Conservative-dominated committee went through to try to improve IRDP for the future. Despite all of that, the Government let this important regional development program die.

The consequence, if you start to look at the Estimates for this coming year, is that contributions under IRDP, which will continue because some of the policies of the actual agreements made were multi-year agreements, will decline from $106 million in 1988-89 to just $68 million in 1989-90. At the same time, contributions made by the Regional Industrial Expansion Ministry to the various subagreements that are part of the economic and regional development agreements with the provinces will also decline by $10 million between last year and this year.

That is why a motion such as the one I moved is so absolutely crucial. It has to be put to this Government that all of us who come from the non-metropolitan parts of this country, from parts that are far away from the Torontos, the Montreals, the Vancouvers, the Winnipegs—

Mr. Halliday: From Windsor.

Mr. Langdon: Windsor is not a metropolitan part any more than Stratford is, as the Hon. Member knows. These parts of Canada demand a fair deal from this Government. They do not demand a special deal or special privileges. They quite rightly demand that they get fairness, equity, and a chance for their children and their communities to be able to have economic opportunities just as people do in downtown Toronto, those in the richer parts of Montreal, and in the more affluent parts of Vancouver.

We have to make a commitment. We have to get a message across to the Government through a motion such as this one, which says that the Government should consider the advisability of increasing spending for regional development. It should see to it that this increased spending is focused where it is needed, that it is planned so that what takes place is done in the most efficient, effective way possible, which does not waste money, which helps people and is done in a way that builds for the future.

• (1720)

We will not then be looking for simple, short term make-work kinds of band-aid solutions which have characterized our regional development efforts put in place both by Liberals and Conservatives in the past.

What must be put in place are serious regional development efforts, a commitment to regional development efforts. I hope that everybody who comes from parts of Canada that experience this inequality or unfairness which now exists will rise and participate in this debate to see to it that fairness is established as a principle for the future of our country.

[*Translation*]

Mr. Guy St-Julien (Abitibi): Madam Speaker, I welcome this opportunity to speak to the House about the federal Government's innovative approach to regional development in Quebec.

The Throne Speech made in the fall of 1986 was quoted earlier in this debate, so I will not repeat what was said. However, I would like to stress that the present Government is determined to increase the effectiveness of regional development programs by directing the majority of its scarce resources to those regions that need them most, by adjusting its programs to local needs and circumstances and by increasing participation of the regions concerned in the decision-making process.

To that end, we are establishing, within Industry, Science and Technology Canada, a new organization that will be specifically concerned with Quebec's regional development needs.

If new federal programs are to be effective and fair, they must allow for the duality in Quebec's economy. The province, seen as a component of Canada's economy, has two distinct economic regions with two very different levels of development. First, we have industrial Quebec, centred in the Greater Montreal area and covering the entire southwestern part of the province. This economic region is satisfactorily integrated in the economy of North America, but its industrial productivity tends to lag behind that of southwestern Ontario and the northeastern United States, while a high proportion of jobs are in traditional industries.

Then there are Quebec's peripheral regions that depend on natural resources. These regions range from the east to the northwest, and the economic situation is similar to that in the Atlantic Provinces. The economy of these regions, with the exception of eastern Quebec, has received no special assistance under previous regional programs. I would like to add that in these peripheral regions, there are five major resource areas: Eastern Quebec, the North Shore, the Centre-North, Western Quebec and Northern Quebec.

Madam Speaker, comparisons with other regions in Canada make a clear case for the need for special regional development measures, both in the resource regions and the central regions.

A five-year economic development agreement for Quebec's regions was signed on June 9, 1988. It provides for funding worth $820 million, of which $440 million is to be provided by the federal authorities and $380 million by the province, money to be spent on the development of resource regions and the province's central regions. Furthermore, $40 million has been earmarked for a private sector program in the forestry industry in Eastern Quebec, and $75 million has been allocated by both levels of government to refinance current ERDA subsidiary agreements.

The new development agreement for Quebec's regions has six objectives: to involve local entrepreneurs; to promote the exploration and processing of natural resources; to promote technological development; to strengthen the competitive position of local businesses; and to encourage economic diversification.

And finally, to promote integration with the Canadian and North American markets so that the regions can fully benefit from the Canada—U.S. Free Trade Agreement.

Regional consultations have made it possible to consider the local point of view in planning, so that the final version of the Agreement reflects the needs and priorities expressed by business people throughout the province. A consultation committee in each resource region, made up of the best-known business and community representatives, will ensure continuing local participation in decision-making.

The principles stated above, namely decentralization, consultation and emphasis on the most disadvantaged regions, are at the heart of the Agreement. The specific needs of each region will be defined, as well as the programs required to complement the national programs.

Furthermore, Madam Speaker, the special needs of the central regions of Quebec have been considered. A federal program to improve manufacturing productivity has been implemented. A joint innovation program is now being discussed with the province and the new agreement provides for an industrial adjustment program.

Also, a special program for Montreal and the disadvantaged areas of the central regions of Quebec is planned, in addition to the federal program to support restructuring in east-end Montreal, which is already established.

Madam Speaker, with these programs, Quebec can finally benefit from the type of regional development assistance that only an effective federal approach can provide.

I wish to restate that the present federal Government is determined to promote regional development in Quebec. They proved it by spending a lot of money to that end. From 1979–80 to 1983–84, federal expenditures on regional development in Québec averaged $189 million a year. From 1984–85, when a new Conservative Government took power, to 1988–89, those expenditures increased to an average of $246 million a year. For the five-year period ending this year, they came to $1,231 billion, compared to only $944 million over the previous five years.

Those figures speak for themselves and, with the new approach I mentioned, Quebeckers will benefit from the measures taken by this Government for generations to come.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to speak in support of the motion by the Hon. Member for Essex—Windsor (Mr. Langdon). However, considering the Member's well-known and well articulated views on economic matters, I find the wording of the Member's motion rather limp.

I would like to requote from the motion where he states in particular:

> That, in the opinion of this House, the Government should consider the advisability of increasing spending for regional development—

I would suggest that the House would be prepared to consider a much stronger motion than this one, particularly in light of the views which all Members of this House constantly express on the advisability of regional development and enhanced continuation of our commitment for regional development which goes back throughout our history.

I would like to suggest to the Hon. Member that perhaps his motion might be better expressed as follows: Not only should the Government consider the advisability of increasing spending for regional development, but it should make a firm commitment to regional development, and that increased funding for regional development should be the expression of that increased commitment.

I would just like to say that the Government's recent activity gives lie to the rhetoric we constantly hear from that side of the House about how important it considers regional development and how to could be trusted to maintain the expenditures on regional development that we have experienced in the past. We have seen in the last Budget and we have seen again in statements how false that commitment is.

• (1730)

I would like to highlight a few instances of this, particularly as they occur in Atlantic Canada and Nova Scotia. We have heard a great deal about the fact that the Economic Regional Development Agreements have not been renewed and have been allowed to lapse. However, it is worse than that. In some cases, and I speak in particular of one in my riding involving the Strait of Canso Development Agreement, not only have they not been renewed, but the federal spending does not even come close to what has been projected. I have read in the Estimates that the cumulative expenditure to March 31, 1988, which was to have been the expiry date of the agreement, was $7,511,000 when in fact the maximum federal share under the agreement was $19,600,000. Why has that money not been spent? I can think of all types of projects in my constituency that would have benefited from such an increase in federal spending, projects in infrastructure and in industrial development, projects in an area where unemployment is much higher than the national average.

Not only must the Government renew its commitment to regional development, it must re-establish its commitment to it. It must demonstrate to the House through tangible means, through some expression that we can see in terms of a commitment of funds to regional development, particularly in Atlantic Canada, that it is serious about this. What we have seen in the Budget, in the Estimates, and what we continue to see is that the Government preaches regional development and expresses the advisability of increasing spending on it and then does the reverse. I expect a motion with more teeth in it from a Member of the Hon. Member's calibre. I do not know if it is appropriate to amend the motion at this time. However, I would like to recognize that the motion should not only stress the advisability of increased spending for regional development but it should request on behalf of the House a tangible commitment to regional development in terms of increased funding earmarked for that purpose.

I would like to mention another area, which is not an ERDA but which has a different acronym. It is FRDA. FRDA is not a new kind of Canadian tree but an acronym for Forestry Development Renewal Agreement. I would like to direct the attention of the House to the fact that in the Estimates the FRDA in Nova Scotia has been allowed to collapse, as far as I can tell. There does not seem to be any commitment toward this agreement in the future in terms of spending. The forecast expenditure to March 31, 1989 for the Canada-Nova Scotia Forestry Renewal Agreement is $49,569,000. Yet the Estimates project only $794,000 for

the agreement in the future. This is appalling in view of the fact that our forestry resource is so vital to the future of Canada. It is a part of the resource base that we have in Canada, particularly in my riding of Cape Breton Highlands—Canso.

I wish to stress the importance of the debate and to encourage our Members who will participate in it to stress that we should not simply be considering the advisability of increasing regional development, we should be demonstrating our commitment to it through higher funding levels earmarked for that purpose.

Mr. Walter Van De Walle (St. Albert): Madam Speaker, the study of the political history of regional development in Canada will reveal that successive federal Governments have for the most part failed miserably in their attempts to equalize economic opportunity and development across Canada. Such a study would show that since Confederation Canadians representing various and diverse regions of the country have regularly come to Ottawa to present their specific problems and to enlist Ottawa's assistance to resolve them.

Ottawa's response, while usually sympathetic, was never adequate, and the resultant regional disparity among Canadians has been perpetuated and in most cases aggravated. This is because Ottawa was never able to develop a comprehensive regional development philosophy. The result was a scattered shotgun approach to helping regional problems. There was also a tendency in Ottawa to believe that all policies should be implemented nationally. That is to say, what is good for one region of the country must be good for the other part of the country. That approach ignored regional needs because a deaf ear was turned to regional input. Economic sensitivity on Ottawa's part was virtually non-existent. While successive federal governments received the regions and heard their problems, these same federal governments would not really listen.

I am proud to say that I belong to a federal government that has changed this outdated Ottawa approach. Five years ago, in Prince Albert, Saskatchewan, the Prime Minister (Mr. Mulroney) made 52 specific commitments to western Canadians. All of these commitments, plus many more, have been fulfilled. These promises recognized the unique problems and needs of western Canadians.

The western diversification initiative is an integral part of these commitments to western Canada. It is structured to provide westerners with direct access to and participation in those federal decisions and the decision-making process that impact directly on their economy and social well-being.

The Prime Minister has said that from now on decisions affecting western Canada will be made not thousands of miles away but down the street, where they should be made. This is the heart of the Government's approach to regional economic development. It has three essential ingredients. They are policy influenced by regions, programs designed by region, and program delivery by region.

The regional realities of Canada have demanded that the Government create specialized institutions designed to fit specialized regional needs. This means that these institutions must be driven by the region rather than by Ottawa. In order to effect that purpose they need the resources to match.

In keeping with that philosophy the Government has established a special Northern Ontario Development Fund. It has established the Atlantic Canada Opportunities Agency, which delivers federal assistance to Atlantic Canada. On August 4, 1987 the Prime Minister announced the creation of the western diversification initiative and the establishment of the Department of Western Economic Diversification to be headquartered in Edmonton with regional offices in Vancouver, Saskatoon, Winnipeg, and a liaison office in Ottawa. The volume of requests for information and the number of submissions made to the various diversification offices far exceed any expectations the Government had for a program of this nature.

• (1740)

My colleague, the Hon. Minister of National Defence (Mr. McKnight) did a remarkable job in launching the Western Diversification Program. He has said that decision making about the West is decision making by the West. That philosophy was in effect reflected in the legislation brought down. The Bill itself reflects this Government's innovative approach to regional development.

It states that the Minister is to lead and co-ordinate the efforts of the Government of Canada, to establish co-operative relationships with the provinces, with business, with labour and with private and public organizations for the development and diversification of the economy of western Canada.

The legislation also talks about regional input into policy formation, tapping the views, experience and wisdom of western Canadians and calling upon westerners at every level to come forth with new ideas to help develop a policy.

The Minister is responsible for ensuring that the most significant contribution of the Western Diversification Program on the western economy will come from westerners themselves participating in the formation of federal economic development policies. That section of the Act ensures western Canadians have input and that westerners get to the cabinet table. The climate also eliminates antagonism and fosters co-operation that has to take place between the various provinces and interested parties.

We are creating a country where equality of economic opportunity exists for all regions of the land, and the Western Diversification Program is a reflection of this. Decentralization of decision making and knowing that the decision makers are in the West is key to the success of this initiative. Consultation with provincial Ministers and other westerners from all walks of life, who each contributed so much to the program in the first place, will continue to be ongoing on a sustained basis.

One of the difficulties with Regional Development Programs in the past has been what I call bureaucratic overload. The flow of paper has caused the plugging up of various programs. It was difficult for those Canadians affected by various programs to access these programs. Western diversification has built into its structure a policy of cutting through the red tape rather than creating it.

For example, in order to become involved in a western diversification project, one does not have to complete an elaborate application form; simply write a letter with a basic idea and one is automatically plugged into the system. If the project involves a new product, a new technology, new markets, productivity improvements or import replacements for western Canada, it has a good chance of being funded.

These five areas feed on one another. For example, a new product for the West often means new technology, new markets. It is about giving that extra push to new ideas which are in abundance in the West and which will reduce the West's dependence on the traditional sector.

As a westerner, I know the possibilities of the economic enhancement of western Canada. They are actually endless. There are tremendous opportunities there for business people if they are given the chance and the opportunity to develop their products.

As a truly national Government with strong representation from the West, we have changed the traditional approach to Regional Development Programs. The Western Diversification Program is administered in the West, with the best interests of western Canadians always being the priority.

This new approach of regional development has been undertaken by a Government that understands the West and is committed to addressing western concerns. In Alberta, across western Canada and throughout this nation, western diversification is working. The Atlantic regional agency is working in the Atlantic provinces. We have throughout Canada an opportunity to develop our potential.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I rise today in debate to speak on this very important and thoughtful motion put by the Hon. Member from Essex—Windsor (Mr. Langdon). It is indeed timely that this motion comes up today, just a few days after the most disastrous Budget Atlantic Canada has ever had inflicted upon it.

Over the past four years, but more particularly over the past five months, we have seen the Tory Party and this Government set about to unravel the unique fabric built on trust, caring and compassion of Canada and respective Canadian Governments; a vision of a nation rich in resources that used its great wealth in a thoughtful and prudent manner to try to overcome the obstacles of geography; a nation where we believed that it was important to use these resources to equalize opportunity for those that live great distances from the centre of this country in Atlantic Canada, northern Ontario, eastern Ontario and western Canada; a nation that believed that one had the right to expect to be able to earn a living in the region of one's choice, not simply raise one's family to have them go down the road to Toronto.

Successive Canadian Governments have realized the important roles of economic transfers to ensure a vibrant national unity in this country. That is why wise Governments of the past introduced universal programs in health, education, and old age security. That is why past Governments of this country have introduced equalization programs, to take from those that have just a little so that those that have not have a better chance to realize their full potential in this nation. We have used the vehicles of established programs funding to help provinces like Nova Scotia, Newfoundland and New Brunswick to be able to deliver better educational programs at a high national standard.

In the 1970s, it was a Liberal Government that introduced a new program called the General Development Agreements whereby the federal Government, in co-operation with the provincial Governments, embarked on essential programs to make our industry sectors in Atlantic Canada and other regions of this country more competitive on the national and international market. Literally billions of dollars were earmarked for these "have not" areas to try to raise them from their perpetual economic slump, to give the people who live there a chance to participate fully economically in our nation.

In 1984, the Liberal Government again fine tuned its program and came in with Economic Regional Development Agreements which built on the foundation laid by the GDAs. The future held great promise in those days for Atlantic Canadians. However, from 1984 until today we have seen a dark cloud of despair gather over Atlantic Canada. We have seen this Government, by its lack of a vision of this country and its determination to serve its masters on Bay Street and more recently on Wall Street, dash the hopes of Atlantic Canadians.

• (1750)

During the election campaign successive federal Ministers came to Atlantic Canada to talk about the Government's commitments to Atlantic Canadians. We saw the Minister for International Trade (Mr. Crosbie) stand up in Atlantic Canada and say unemployment insurance programs would not be changed, that regional development programs would remain intact and that social programs in this country were not at risk with the election of another Tory Government.

What a difference a few months make. Last week we witnessed the abandonment of regional development as an essential tool in the Government's economic policy. We saw the Government come in and cut established programs funding to Atlantic Canada, cuts that will result in more hospital beds closing down and heightened crisis for our post-secondary educational institutions in Canada. We saw a Government that misled the people of Atlantic Canada with its so-called commitment to Regional Development Programs.

In Nova Scotia alone there are six agreements that have expired, worth millions of dollars and thousands of jobs in Atlantic Canada. We have seen the Minister responsible for the Atlantic Canada Opportunities Agency play smoke and mirrors with his Atlantic counterparts in the lead-up to the Budget. Just on Friday, the day after that disastrous Budget, he came out and said that the very future of these agreements are still up in the air, that if and when they are signed the matter of how much is paid by the provincial Governments and how much is paid by the federal Government is still up for negotiation.

On the one hand, the Government has cut badly into provincial revenues by the reductions in the EPF. On the other hand, it has cut regional development funding through the ERDA process. It tells those same provinces that they may have to come up with a bigger share if these agreements are indeed renegotiated.

What the Government has done is act like the bully on the block. To show how tough it is, it knocks them down. It picks the weakest one on the block and knocks him down. Once you knock him down, you put the boots to him.

It is interesting that at the same time the Government cuts development funding it is perpetually patting itself on the back for being around during the post recession recovery. It ignores the real disparity that its own policies have caused in the last four years.

It is interesting to note that if one looks at the unemployment rate as a measure of regional disparity, in Newfoundland, in 1983, the average unemployment rate was 55 per cent above the national average. That was shameful. In 1988 that same rate is 110 per cent higher than the national average. In Prince Edward Island, in 1983, the unemployment rate was 3 per cent higher than the national average. In 1988, after four years of Tory Government policies, that rate stands at 37 per cent above the national average unemployment rate. This,

before the Government put the boots to Summerside in closing down its base and throwing thousands out of work in that part of Prince Edward Island.

In effect, the Government's true agenda is to change the way Canadians think about themselves. It is turning its back on those people it has been elected to represent, the people in the regions of this country, the people in northern Ontario, eastern Ontario, the people in Atlantic Canada. They are the people who want to become full economic partners in this great country.

In closing, I support my hon. colleague's motion to increase funding in Atlantic Canada, but before funding is increased we must recover what the Government has already taken. We must stop the erosion of caring and compassion that the Government has exhibited over the past four years. We in Atlantic Canada have a right to be allowed the opportunity to become full partners in this great nation. Regional development funding, continued at historic levels, is the only vehicle for us to retain that equity.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, in the few minutes remaining tonight I want to make some general comments on the very important motion we are dealing with tonight.

The House will also know that we are debating another important piece of legislation before the House in terms of its impact on regional development. It is Bill C-3, the legislation to create the Ministry of Industry, Science and Technology. At that time I said that it would have been nice to be debating legislation to create the forestry Department, which we have not yet seen from the Government despite its many pledges.

The motion today, moved by the Member from our Party, the Hon. Member for Essex—Windsor (Mr. Langdon), reads:

> That, in the opinion of this House, the Government should consider the advisability of increasing spending for regional development, focusing this spending on regions with a demonstrated need for assistance and ensuring that such spending is dependent on investment planning and job creation that may not otherwise take place.

That is an important motion today, in light of the chaotic and ridiculous performance we saw by the Government last week in the presentation of its Budget and the implications in that Budget and the Estimates.

The Estimates that were tabled on Friday gave us an idea of some of the Government's specific spending plans. Some of the concerns that we have raised about what will happen with our regional development plans and some of the specific Departments within Government, such as forestry, are coming true with the tabling of the Estimates and the Budget.

The concerns that I have raised in the House are that what will be created are two different kinds of Ministers. There is a perfect example of that now in western Canada. We have been calling for the renewal of the forestry agreements. Some six FERDAs in other provinces across the country have expired. No official negotiation had taken place and we wondered why. The information we received from the Minister of State for Forests (Mr. Oberle) was that a new economic policy framework was being designed.

What is that new economic policy framework? I believe it will be a reference of all federal agencies in western Canada and Atlantic Canada, through those agencies, to the point where there will be two different kinds of Ministers. In western Canada there is the Minister responsible for western diversification. In the case of my critic responsibility there is the Minister of State for Forests. He is still a junior Minister because we know, in light of the Budget and the spending Estimates, that the Minister of Forests must go to the Minister responsible for western diversification to get funds for those forestry agreements.

The perfect evidence is contained in news releases, which all Members receive. In my Province of British Columbia, in the forest industry in any case, we will all get to know the Minister of Western Economic Diversification because he will basically become the Minister of Forests. I know that our sector of the industry is not desirable of that.

Those are some of the concerns that have been raised on this side of the House. I believe the motion of the Member for Essex—Windsor points that out clearly. Certainly there will be more debate as consideration of both Bill C-3 and the Budget continues.

The Acting Speaker (Mrs. Champagne): The time provided for consideration of Private Member's Business is now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADA ELECTIONS ACT—CHIEF ELECTORAL OFFICER'S REPORT—COMPOSITION OF COMMISSION OF INQUIRY

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, in rising to participate in this debate I would remind Hon. Members that the question under consideration tonight was raised by me in the House of Commons on April 18, when I asked the Deputy Prime Minister (Mr. Mazankowski) a question concerning the report of the Chief Electoral Officer which had been tabled the previous day. In my question, I asked when the Government would act to implement the recommendations made by the Chief Electoral Officer. The answer that the Deputy Prime Minister gave in part was:

> The opposition Parties failed to concur with the Government on that particular issue and they bear the responsibility.

I was speaking about the Government's failure to deal with Bill C-79 which had been introduced during the course of the last Parliament and was not dealt with.

• (1800)

The Government's failure to deal with this Bill is entirely the fault of the Government. The Government controls the order of business in this House. It is the Government that dominates the proceedings, aside from the Private Members' Hour we have just completed. The Government has the right to call its business as it sees fit. I want to recall the proceedings that took place in respect of Bill C-79. That Bill was introduced in June 1987. It sat on the *Order Paper* and absolutely nothing happened until March 16, 1988 when it was called for second reading. During the second reading debate, Bill C-79 was debated for a total of two hours and 17 minutes and was not passed. Nothing further was done with that Bill throughout that session.

Last summer the Government, having done almost nothing during its previous three years in office, decided to pass some legislation so that it had some sort of record to present to the people of Canada in anticipation of the election later in that year. For that reason, Parliament sat through most of the summer and well into the fall, in fact until the election was called in late September in order to permit the Government to do something so that it could say to the people that some legislation had been passed. One of the items it did not deal with at that time was Bill C-79.

I was not a Member of the House then, so I am speaking in part with the benefit of information provided by my colleagues who were in the House and were privy to discussions that proceeded between all Parties in relation to the passing of this Bill C-79. I acknowledge and respect the fact, and I think it is important that this continue, that amendments to the Elections Act are normally dealt with by all-Party agreement. That is an important principle. It is one I respect and the Government ought to continue to respect it.

The Government was able to arrange agreement on many points of that Bill. On others, it could not arrange agreement. Any sensible approach to this problem would require that once you reach agreement on certain points, you proceed with those and pass them into law. Items not agreed to are left out, particularly with respect to election reform when the question of passing the amendments enfranchised Canadians who had not previously been enfranchised or had no right to vote.

There was an editorial in *Le Soleil* on April 19. I want to quote a brief paragraph from it.

[*Translation*]

> Under the Elections Act, 50,000 mentally handicapped people, 25,000 prisoners, 500 judges appointed by Ottawa, 295 returning officers and 2 million Canadians living abroad are denied the right to vote. They could and did contest the 1977 legislation before the courts.

[*English*]

That was the issue that the Chief Electoral Officer purported to deal with in his report. Many of the items that would have permitted these persons to vote had been agreed between the Parties during the course of the session. They were ignored by the Deputy Prime Minister. Instead of making this Bill a priority, he set it aside and said it could be dealt with at another time. It was constantly shoved aside by other matters that the Government considered more urgent.

Let us look at some of the matters the Government considered so urgent. One of them was child care legislation. I recall that the House spent some time considering the child care Bill introduced during the last Parliament. I observed it in the reports of the proceedings of this House. The other day the Prime Minister (Mr. Mulroney) shed crocodile tears, saying that the reason that Bill was not passed was because the Senate obstructed it. The Senate had the Bill before it for less than a week before Parliament was dissolved, and yet we were told this was Senate obstruction. Now we are told that, instead of introducing the Bill again and dealing with the issue, we will have to wait for several years because the Government says we cannot afford it. If we cannot afford it now, how could we afford it then? What was going on? Why spend all the time on child care instead of dealing with electoral reform when an election was in the wind and it was something that was crucial and important to deal with, and which could have been passed in a short time, at least in part, with the agreement of all Parties.

• (1805)

The other Bill that was discussed at the time was free trade. The Government made a great show of spending considerable time discussing that Bill in the House. As I recall, it took some rather drastic measures to ensure its passage, knowing from July on that the Bill was going to face a problem in the Senate. Well, it did not get into the Senate long enough to face much of a problem, but it was there for a short time before Parliament was dissolved. The Government knew that that difficulty was going to be faced. It was not as if the Senate had not said in advance that it was going to delay the Bill until an election had been held. In spite of that, the Government insisted on spending weeks of debating time in the Chamber, going through that Bill, knowing what was going to happen to it later instead of dealing with electoral law when an election was coming on.

Four years had elapsed when the Government could have dealt with this Bill, and nothing was done. It sat on the *Order Paper* for more than a year with nothing happening. I submit that it is clearly the responsibility of the Government to move legislation forward, and it should have done so in this case.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council and Minister of Agriculture): Madam Speaker, the Hon. Member has raised a number of issues. He talked about many subjects, however, I am going to keep my comments to the reform of Canada's election laws, because I understood that was the subject to be raised tonight, not all the other issues that the Hon. Member mentioned.

The Government has long recognized the need for reform of Canada's election laws. In fact, one of the most comprehensive packages of reform ever proposed was contained in the White Paper on election law which was tabled by the Government on June 26, 1986.

Over the course of 15 years prior to the tabling of the White Paper, a number of problems had been identified by all participants in the election process, and had formed the subject of several reports of the Chief Electoral Officer.

The great majority of these problems were addressed first in the White Paper and subsequently in Bill C–79 which was introduced by the Government in June, 1987.

As the Chief Electoral Officer indicated in his 1989 report, the amendments contained in Bill C–79 would, in large measure, have brought the Canada Elections Act in line with the Charter of Rights and Freedoms. In addition, those amendments would have introduced more flexibility into procedures to revise the preliminary lists of electors and would have expanded the rules for proxy voting. If those provisions had been adopted, a substantial number of otherwise disenfranchised electors would have been allowed to vote in the last election.

Unfortunately, these and other important amendments contained in Bill C–79 were not adopted prior to the last election. On many occasions the Government attempted to reach agreement with the Liberal and New Democratic Parties to allow those amendments to proceed. Despite repeated attempts, no such agreement was reached, and Bill C–79 died on the Order Paper.

In order to facilitate the process of developing amendments which can be supported by Members on both sides of the House, including amendments on the important question of election expenses, the Government announced, in the Speech from the Throne, that a commission of inquiry would be established to make recommendations on changes to the electoral laws. The establishment of such a commission was recommended by the Chief Electoral Officer in his 1989 report.

The Government remains committed to reforming our electoral laws and to making voting easier and more accessible to Canadians consistent with the provisions of the Charter.

AIR SAFETY—PEARSON INTERNATIONAL AIRPORT—EFFECT OF RECENT GOVERNMENT MEASURES/TESTING OF MEASURES PRIOR TO IMPLEMENTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, on December 20, 1988, a Boeing 737 and a Boeing 727 were reported at Pearson International Airport to have almost come into collision with each other. On January 10 there were two other incidents of near mid-air collisions happening within three hours of each other. In response to this occurrence, Madam Speaker, the Canadian Aviation Safety Board made two interim recommendations to the Minister of Transport (Mr. Bouchard) on April 5 which we can refer to as urgent recommendations. In essence, the Board recommended that the northeast arrival and descent area around Pearson Airport be cleaned up and that the vertical spacing between aircraft coming into Pearson be given at least 1,000 feet of clearance from each other.

• (1810)

On April 7, the Minister responded by implementing these two measures at Pearson. At page 571 of *Hansard*, on April 17 I asked the Minister of Transport if he was aware that the provisions implemented on April 7 had created further safety problems at Pearson.

Based on the best information I have and monitored by the effectiveness of these changes, I informed the House and the Minister on that date that these measures have saturated air space east of Pearson and forced en route controllers to stack airplanes as far back as Coe Hill, Ontario, which is 95 miles from Pearson. This has created further havoc for controllers due to the reduction of landing flights from 42 to 32 an hour.

I further informed the Minister that en route controllers had not received any sort of briefing on these measures. In my supplementary question, I further informed the Minister that the rigidity of these measures almost caused another mid-air collision.

Flights into Pearson on Sundays are now being instructed to circle from Ottawa or corkscrew over Coe Hill. What is happening is a flight takes off from Ottawa and corkscrews before it is allowed to land in Toronto.

This takes peak hour congestion away from Pearson but transfers the problem to the air space between Ottawa and Toronto. With a current shortage of 74 air traffic controllers at Pearson, it is not difficult to see that logically this involves a safety problem.

In light of this information, I asked the Minister to take appropriate action to ensure the safety of Canadians, yet the Minister failed to address this urgent matter. No action has been taken to date and that is why I am here before you, Mr. Speaker, to address this issue once again.

In his response, the Minister suggested that the measures implemented were proposed by the Canadian Aviation Safety Board after the near miss in Toronto in November. This makes me question whether the Minister read the Canadian Aviation Safety Board Report. It clearly states that there was a near miss in December 1988 and two near misses in January, not in November.

In further response to my question, the Minister stated: "We have talked about safety in the Canadian skies for the last two or three weeks, perhaps longer. I hope he is not now telling me today"—referring to me—"that because there are more delays in Toronto, we should decrease safety in Canadian skies."

My question clearly did not ask the Minister to respond to the increase in delays. I specifically asked the Minister to address the air safety problems being created by the measures he introduced. If the measures did nothing more than create further delays, I would not have asked the question that day.

To my supplementary question, the Minister responded that it is absolutely normal that at the beginning it could create some problems for the controllers. What we did was necessary for Canadian air safety.

I found it interesting that the Minister would admit that there may be some problems for the air traffic controllers. For how long, if at all, can we tolerate such problems before they pose and create a safety risk?

My question to the Minister was asked ten days after the measures had been introduced, and it is now May 1. How many more days must pass before this question will be dealt with as I proposed on an urgent basis? If the air traffic controllers are having problems with these measures, they should send a clear signal to the Minister and the Government that safety problems are being created. My question was an attempt to get the Minister to respond immediately to these safety problems and not to delay problems.

I urge the Parliamentary Secretary not to answer my question by telling me that two justices, Justice Estey and Justice Moshansky will be dealing with the Dryden and Gander problem because those problems do not reflect what is happening at Pearson. The Parliamentary Secretary should not respond to my question by saying that the Canadian Aviation Safety Board will be replaced with new legislation under Bill C-2. Nor should he respond what he responded last time I asked this question by saying that the Minister has conducted an in-depth review and there will be something coming before the House in the very near future.

• (1815)

Those are not answers to the very critical question that concerns safety from Ottawa to Toronto and at Pearson International Airport. I therefore ask my question once more: What are the Minister and this Government going to do with respect to the safety in our airways between Ottawa and Toronto as it definitely affects the air space around Pearson International Airport?

Mr. Bill Kempling (Parliamentary Secretary to the Minister of Employment and Immigration): Madam Speaker, the Hon. Member opposite should make up his mind. Prior to the implementation of the Canadian Aviation Safety Board recommendations in question, he rose in this House to ask the Minister when they were going to be addressed. Now, two weeks later, he rises again to state that the safety measures in question are now safety hazards. There appears to be some inconsistency or confusion on the Member's part.

I would like to provide some clarification for my friend across the way. The procedures to which he refers have always been the practice at Pearson. That is to say, arriving aircraft executing simultaneous approaches on parallel runways have always been designated either "high-side" or "low-side" in order to maintain a vertical separation of 1,000 feet. Which aircraft was high and which one was low was, in the past, left to the discretion of the air traffic controller. All we have done is remove the discretion. One runway has been designated for the "high-side" and the other for the "low side".

Therefore, there is no need to run these procedures through a simulator. They are not new procedures. Controllers are simply being asked to do what they have always done in a different way, in a standard format if you will. As with all changes, large or small, a period of adaptation is required. This means that some delays may occur, not decreased safety. I repeat, not decreased safety.

As the Minister has repeatedly stated in this House and elsewhere, controllers will never be asked to handle more traffic than can be dealt with safely. I fully realize that the explanation I have just provided is not complete. It would be very difficult to get into the technical aspects of these procedures in the short time available to me today. I would be very pleased to arrange a detailed briefing for the Hon. Member at his convenience so that he may fully understand this matter.

UNEMPLOYMENT INSURANCE—UNEMPLOYMENT IN BLACK COMMUNITY—EFFECT OF CHANGES TO SYSTEM/EXPENDITURE OF FUNDS—REQUEST FOR AFFIRMATIVE ACTION STIPULATION

Mr. Ron MacDonald (Dartmouth): Madam Speaker, on April 14, some two weeks ago, I asked the Minister of Employment and Immigration (Mrs. McDougall) several questions concerning the changes that she had recently announced to the unemployment insurance system. I specifically asked the Minister about the negative effect that these changes would have on some of the minority communities in Canada, specifically, the native and the black communities.

The Minister's response that day was very telling. She went on at some length about the training programs and other initiatives that her Department and her Government has undertaken to try to combat the problem of high unemployment among the black and native communities as well as other minority communities. Her answer showed her complete lack of understanding of the unfair economic burden faced by these minority groups.

I know this problem firsthand because I am fortunate, and I will underline fortunate, to represent the largest native, black community in Canada in my constituency of Dartmouth. The fact is that although my riding has an

unemployment rate of only 8 per cent, the unemployment rate in the black community in my riding can go as high as 80 per cent in the winter and at the best of times is usually between 30 per cent and 50 per cent. That is completely unacceptable. It is unacceptable in Dartmouth, it is unacceptable in Nova Scotia and it should be unacceptable in Canada. It should be unacceptable to the Minister as well.

A large percentage of individuals in that community who draw unemployment insurance benefits do so after qualifying with the minimum number of weeks. Prior to these changes, that minimum qualification was 12 weeks. That qualification has now gone up to 18 weeks.

If the Minister thinks for a minute that the results of her changes do not triply disadvantage members of minority communities, she should visit one or two or three of those minority communities and ask the people who have been affected by those changes. Because of these changes, the Government may save some money.

• (1820)

However, for the real people who are affected by these cuts the results are more economic hardship and increased reliance on welfare with a subsequent loss of self-worth and dignity which is especially crippling in our minority communities.

The employment programs to which the Minister referred on April 14 are very well-intentioned. However, in the case of the Preston area many times they have overshot their mark. For instance, Community Futures is a very good program to help communities in some economic difficulty to put together an economic plan to take themselves out of that cast of welfare, low wages and low self-esteem. However, for many reasons, most of them bureaucratic, the community of Preston, North Preston, Cherrybrook is not eligible for Community Futures, at least not at this point in time. I have mentioned that the reasons are mostly bureaucratic. However, I also think it signals that the Government does not have the will to ensure that the programs that are currently in force are targeted to those individuals who need them the most. Indeed, the Department of Employment and Immigration does not even have current statistics on the rate of unemployment in the black community in Nova Scotia, let alone the black community in my riding in Nova Scotia.

I checked the records of Canada Employment and Immigration. The most recent statistic that it has, and it is a slanted statistic, is from 1986. For goodness sakes, if the Government has not been able to pull a statistic from its own Department from 1986 to 1989, I suggest to the Minister that somebody in the Department has fallen asleep at the wheel.

The questions I asked were real. I was not trying to gain any partisan political points. I was trying to represent my constituents. I was also trying to represent many minority groups which increasingly feel disenfranchised from the political process and from Parliament. In response to my question about whether or not she agreed that those changes would unfairly hit people in minority communities, the black and native communities across Canada, the Minister said:

> —our job training planning since 1985 has been directed specifically at doubly disadvantaged groups, groups like visible minorities, the disabled and others who have particular needs. We will continue to do that under the new scheme.

I would think that the Minister, after the information I gave her in the House that day, would understand that she is not trying to improve the problem of the doubly disadvantaged, what she was doing with these changes is turning the doubly disadvantaged into the triply disadvantaged, especially the black community in Nova Scotia.

In response to my second question which asked for an assurance that she would attach an affirmative action provision to the spending of any new funds aimed at training for these doubly disadvantaged groups, the Minister said:

> The Canadian Jobs Strategy provides exactly what the Member is asking for.

The response she gave to my questions shows the callousness of the Government's approach in dealing with the real hardships faced by those people who have to go on unemployment insurance. After she told me that, she stated that the Government was also looking at concluding an agreement with the provinces to put $200 million into new programs for welfare. That is exactly where those individuals will end up—on welfare. That is what breaks the backs of the minority communities in the country. It is unacceptable in this day and age. It should be unacceptable to the Minister.

Since the Minister is not available right now, I would like to ask her Parliamentary Secretary to answer these real concerns, these real questions, these non-partisan questions. I asked the Minister if she was prepared to give a commitment that she would review her Department's programs and include an affirmative action provision to ensure that those minority groups which would be devastated by these unfair changes would be given

priority consideration in future programs. I put the question forward again. She has not answered to my satisfaction. She has not answered to the satisfaction of Canadians. She is allowing the minority communities in Canada to face a very bleak future, a bleak summer and a very bad winter. I hope that in response to my question the Minister will offer some help to those affected the most.

• (1825)

Mr. Bill Kempling (Burlington): Madam Speaker, the Hon. Member wanted an assurance that visible minorities would not be adversely affected by the proposals contained in the policy paper tabled by the Hon. Minister of Employment and Immigration (Mrs. McDougall) on April 11. The amendments to the unemployment insurance program are not targeted toward any special group. Rather, they are designed to raise the efficiency of the labour market. A key aspect of the labour force development strategy, however, is a reallocation of expenditures to more "active" training and re-employment measures for the unemployed. "Active" spending helps the disadvantaged most by giving them the skills necessary to get good jobs. The unemployed people that I have talked to want jobs. They do not want hand-outs. I can assure the Hon. Member that under this Government, disadvantaged Canadians will not be overlooked.

The Canadian Jobs Strategy already has target levels for visible minorities. These target levels will be maintained, providing more money for training and will guarantee more funds going to visible minorities. This Government introduced the Employment Equity Program and the Federal Contractor's Program which provide opportunities for increased labour force participation of women, aboriginal people, visible minorities and persons with disabilities. I can assure the Hon. Member that the Labour Force Development Strategy is intended to speed up the integration of visible minorities in the labour market. Measures throughout the strategy will accelerate the integration of employment equity goals and action plans in private sector policies and programs.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 18.27 p.m.

HOUSE OF COMMONS

Tuesday, May 2, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COLUMBIA RIVER TREATY PERMANENT ENGINEERING BOARD

TABLING OF ANNUAL REPORT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual report of the Columbia River Treaty Permanent Engineering Board to the Governments of the United States and Canada for the period October 1, 1986, to September 30, 1987.

* * *

[*Translation*]

NATIONAL FILM BOARD

FIFTIETH ANNIVERSARY

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, today we are celebrating the 50th anniversary of a prestigious organization, the National Film Board of Canada. The NFB has been honoured throughout the world, particularly at the film festivals in Los Angeles, San Francisco, New York, Nyon, Créteil, Annecy, Cannes, Berlin, Melbourne and London, to name only these.

On Friday, April 28, a resounding tribute was paid to a real genius who has spent his film career with the Board, Norman McLaren. The NFB main building on Côte-de-Liesse in Montreal will bear his name from now on.

NFB artists and craftspeople have been remarkably productive for 50 years: no less than 6,500 films in French and English for which the NFB has won over 3,000 prizes.

Over all these years, the National Film Board has been to a great extent directly responsible for the excellent reputation our country has acquired. Hundreds of millions of people first got to know Canada from NFB films distributed throughout the world. The NFB through its films is an excellent ambassador for our aspirations and our values. It has also greatly contributed to helping Canadians get to know Canada.

On behalf of all Members of this House, I extend our gratitude and most sincere congratulations to the official representatives of the NFB here present: Joan Pennefather, Anne-Claire Poirier, Colin Low and Jacques Godbout.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I am pleased to join with the Minister this morning in paying tribute to the National Film Board, one of Canada's great cultural institutions. As the Minister has already noted, the NFB has won international acclaim for the quality of its productions. This has brought great honour to our nation. I am certain that the Minister would agree, however, that the National Film Board's greatest achievement is the contribution it has made to Canadian culture.

On the occasion of the National Film Board's fiftieth anniversary, it is fitting to reflect on the important role the NFB has played in the development of our unique national identity and our collective consciousness. For many, our earliest memories of the National Film Board are the educational productions that we saw in our classrooms. They brought history alive for us.

While it is best known for its educational productions, the NFB is also a leader in its presentation of contemporary issues that reflect social and cultural concerns of Canadian men and women. Animation, docudrama and feature films in both official languages capture the regional and multicultural flavour of Canada.

In the time the NFB has been with us, it has created 17,000 films, it has won eight Oscars and it is known as one of the best producers of animation in the world. Often, Canadians do not realize that NFB films have been and continue to be an ambassador for Canada all around the world. Thanks to the creativity of the National Film Board, more Canadians are now able to see more and more of its productions through enhanced

distribution on video cassettes at libraries and Thursday evenings on the CBC. With these efforts, just think how many more Canadians will have an opportunity to treasure the NFB's work. I would recommend to all Canadians the NFB's fiftieth anniversary production, a great demonstration of creativity. It provides us with a panoramic view of the NFB's lifetime of work.

• (1110)

In these days of Government restraint, Canadians must be vigilant in defending their cultural institutions. Liberals established the NFB to reflect Canada to Canadians. We hope that over the next 50 years, it will realize an even more dynamic communication with the Canadian people.

[*Translation*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I noticed that the Minister said that the National Film Board had won over 3,000 prizes including Oscars.

[*English*]

I might tell the Minister that we have a nickname for him over here. We call him "Oscar Masse". We have nominated him "Best Minister In Search Of A Supporting Role". It is too bad that he will not accept a supporting role.

It is with great pride that I join the Minister and the Liberal critic in congratulating the National Film Board on its fiftieth anniversary.

The creation of the Film Board, was largely the work of a documentary film maker, John Grierson. He was a Scot who came to Canada in 1938 to study and co-ordinate a film policy for the Government. The National Film Board was created a year later by an Act of Parliament. Grierson became its first commissioner. The Board's mandate was to interpret Canada to Canadians and to the world.

On both scores, it has succeeded beyond anyone's expectations in 1939. In its 50 year history, the Board has completed 17,000 productions, 6,500 of which have been original films.

I guess we could spend all day talking about the reputation of the NFB and its film makers. It has indeed produced probably the finest documentaries in the world.

[*Translation*]

The work of National Film Board film-makers in the field of documentaries has had a great influence in showing Canadians how diverse our country is. Pierre Perrault's *La bête lumineuse* and *Pour la suite du monde*, Anne-Claire Poirier's *La Quarantaine* and *Mourir à tue-tête* and Donald Britten's *The Champions* and *Volcano* can be mentioned as examples of this tremendous contribution.

[*English*]

While the NFB is perhaps best known for its documentaries, the work of its acclaimed animation department founded in 1941 by Norman McLaren has received both national and international acclaim.

I would like to underline for the House the work of Studio D of the National Film Board, which I visited recently, which produced through its short history such films as *Not A Love Story*, *To A Safer Place*, and *If You Love This Planet*.

Anniversaries are excellent times to reflect on the past. They are also times to consider the future. I would like to say to the Minister of Communications (Mr. Masse) that it is not enough for the Government or for Canadians merely to bask in the glow of the NFB's successes, although they have been great. We have seen major cut-backs in support given to the NFB in the past four years. That is 10 per cent in real terms. As a result, we have seen projects delayed or cancelled, film makers and technicians laid off, user fees imposed, and 18 regional distribution centres closed. I think it is an enormous tribute to the talents of their film makers, technicians and free lancers that their standards have been maintained in spite of these cut-backs.

I urge the Minister and Canadians to take advantage of the fiftieth anniversary to press the Prime Minister (Mr. Mulroney) and the Cabinet to increase significantly the financial contributions to the NFB.

I will conclude by saying that in an age in which rampant economic individualism is so assiduously promoted, I believe that the arts and cultural industries remain one of the most powerful, if fragile, means of celebrating a sense of shared experience and common

humanity. The National Film Board has made an enormous contribution in bringing all Canadians together. I congratulate the NFB on its fiftieth anniversary. I encourage Canadians to take part in as many of the events marking this important occasion as they can.

* * *

BILL C-9

CHANGE OF REFERENCE TO STANDING COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties. I believe you would find that there would be unanimous consent to put the following motion to the House immediately for approval without debate.

I move:

That the Order for second reading and reference to a Legislative Committee of Bill C-9, An Act to amend the Bank Act, standing on the Order Paper, be changed to read "second reading and reference to the Standing Committee on Finance".

Motion agreed to.

* * *

PETITIONS

UNEMPLOYED YOUTH—ADDITIONAL JOB CREATION FUNDS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36 on behalf of Canadians who point out the number of young people in our country who are officially unemployed. They suggest that the unemployment rate for young people of Canada is actually twice the rate that is normally stated and certainly much larger than on average. I point out that unemployment among young people is a source of many social problems including alcoholism, drug abuse, prostitution, crime, and so on.

They are calling on Parliament to consider the advisability of providing additional job-creation funds directed specifically to young people to ensure that federal job creation strategy emphasizes job opportunities that extend beyond the industrial and commercial sectors.

INCOME TAX—FEMALE LOW WAGE EARNERS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition. The petitioners indicate that 50 per cent of Canadian women who file tax returns have incomes of $10,000 or less. They indicate that thousands of Canadian women living in poverty still have to pay income tax. They suggest that the tax system has an adverse effect on women as a result of the deductibility of alimony, maintenance payments, spousal tax transfers, deindexation of tax credits and social transfers. They are calling on Parliament to introduce a tax system that is simpler and fairer to the average Canadian woman and to consider the advisability of restoring indexation to the child tax credit.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

PRIVILEGE

GRANTING OF SUPPLY—SPEAKER'S RULING

Mr. Speaker: I am now ready to rule on the arguments presented several days ago with respect to the Question of Privilege relating to the supply process. On April 6, after giving the Chair the required written notice, the Hon. Member for Kingston and the Islands (Mr. Milliken) and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), rose in the House to argue a case of privilege.

The Hon. Member for Kingston and the Islands claimed that the ancient rights of Members of Parliament have been denied in so far as the granting or withholding of Supply. I quote from page 177 of *Hansard*:

Why did we move to consider the Business of Supply when no supply had been requested from Her Excellency, the Governor General, at the opening of the Session?

[*Translation*]

Both he and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) also expressed serious reservations as to the use of Governor General's warrants by the Government as it is their view that such use of warrants has superseded the usual Supply process.

[*English*]

During the discussion on this question of privilege, the Hon. Member for Kamloops (Mr. Riis) also rose in support of the contention that the rights of the House had been breached. In reply, the Hon. Minister of Justice and Attorney General (Mr. Lewis) argued that the question of privilege had not been raised at the first opportunity available. He indicated that all of the requirements of the Financial Administration Act had been met by the Government.

• (1120)

Before I get into the substantive issues on Supply, I would briefly like to address the matter of whether this question was brought forward within a reasonable period of time as required by our practices. The Hon. Members for Kingston and the Islands and for Glengarry—Prescott—Russell gave the Chair written notice on April 5 that they would be raising a question of privilege. Since one of their complaints arose as a result of apparent omissions in the Speech from the Throne which was read on April 3, the very earliest occasion that they could have raised the matter was on April 4. On that day, by agreement, the House only heard two short speeches before adjourning. In fairness to all Hon. Members, I have to conclude that notice was given at a reasonably early opportunity.

[*Translation*]

I wish to remind Hon. Members that questions of privilege must be raised in a timely fashion. If a matter is so serious that the privileges of this House must be invoked, then it stands to reason that the practice of bringing these matters to the attention of the House at an early opportunity must be respected. In the present submission, I feel that the practice has been respected.

[*English*]

Since the business of Supply is a complex procedure and since many of the new Members have not yet had an opportunity to examine its components, I feel that this would be an appropriate time to briefly review certain aspects of the Supply process.

The business of approving the spending plans of the Government is one of the major responsibilities of Parliament. The process by which the Government submits its projected annual expenditures for parliamentary approval is known as the Supply process. Once Supply is granted, the Government can draw on the Consolidated Revenue Fund to meet its financial obligations.

The basic principle supporting the Supply process is that the Sovereign, or the Crown, is charged with the management of all payments for Public Service. The Crown acting on the advice of its responsible ministers makes known to the Commons the pecuniary needs of the Government; the Commons, in return, grants such supplies as are needed to satisfy these demands.

The House of Commons has an important role to play in this complicated process. It is in the Commons where the Government's projected expenditures—known as the "Estimates"—are first tabled and the legislation to implement the estimates—known as the "Appropriation" Bill—is introduced. Section 53 of the Constitution Act, 1867 stipulates that all financial legislation, and this includes Government expenditures, must originate in the House of Commons. This requirement is reaffirmed in the Commons' own rules of procedure, more specifically Standing Order 80(1), a point which was clearly referred to by Hon. Members the other day.

[*Translation*]

As a result of the fact that Main Estimates for the upcoming fiscal year are usually adopted at the end of June, the Government could be without funds from the beginning of the fiscal year in April to the end of June. The rules accordingly provide for the Government to request an advance against the Main Estimates which is known as Interim Supply. From time to time during a session, the Government may also require additional funds which are introduced by way of Supplementary Estimates.

[*English*]

During lengthy periods when Parliament is dissolved or prorogued, an urgent need for funds may occur. Under special conditions, provided for in the Financial Administration Act, the Government may draw on the Consolidated Revenue Fund after a Special Warrant has been signed by the Governor General. Unlike interim supply and supplementary estimates, the use of Special Warrants is not a routine matter and the Government is required to inform the House, after the fact, when the warrants are tabled. Subsequently the supply granted by the Governor General will be included in the first supply Bill for scrutiny and approval by the House.

Now to address the specific points raised by Hon. Members in their question of privilege of April 6.

The first point refers to the fact that in the Speech from the Throne, the Governor General neglected to request the House to appropriate the funds required to carry on the services and expenditures of her Government. Because of this omission, it was argued that the Government could not and should not have asked the House to designate a continuing Order for Supply.

If I may refer Hon. Members to the operative Standing Order. Standing Order 81(1) states:

> At the commencement of each session, the House shall designate by motion, a continuing Order of the Day for the consideration of the business of supply.

Hon. Members will note that the Standing Orders use the word "shall" and no specific mention is made in this Standing Order about the necessity of having a request in the Speech from the Throne to appropriate funds. If I may draw your attention to the commentary found in the *Annotated Standing Orders* relating to Standing Order 81(1), page 250, it reads as follows:

> During the Speech from the Throne at the start of each session, the Governor General traditionally addresses the House and says, "You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament".

I would like to stress the use of the word "traditionally". As the Hon. Member for Kingston and the Islands himself pointed out, there have been occasions when the Governor General has neglected to read this traditional phrase in the Speech from the Throne. He specifically referred to two previous cases: September 8, 1930 and December 12, 1988. A careful review of all Speeches from the Throne since 1867 has revealed that there were two other such cases, namely: January 25, 1940 and October 9, 1951. The case of 1951 is of particular interest to the Chair because while no reference was made to Supply in the Speech from the Throne, the House did appoint a Committee of Supply.

[*Translation*]

The Chair appreciates the comments made by the Hon. Member but wishes to point out to the House that the Standing Orders do not specify that a request for funds appear in the Speech from the Throne prior to designating a continuing Order of the Day for Supply. As the *Annotated Standing Orders* explains, this phrase is a tradition but not a requirement of the Standing Orders.

[*English*]

Procedurally speaking, the Government is obligated to act in accordance with the terms of Standing Order 81(1) and I must therefore conclude that the Government has respected the rules of the House in designating a continuing Order of the Day for the consideration of supply.

The Chair would now like to turn its attention to the next issue raised by the Hon. Members relating to the use of Governor General Warrants.

Many people are puzzled as to the nature of these Warrants. To begin with, I would like to point out a difficulty we are encountering in the use of terms; there are Governor General Warrants and Governor General Special Warrants. Governor General Warrants as described in Section 28 of the Financial Administration Act are used frequently. Every time that Parliament adopts an appropriation Bill and Royal Assent is given, the Governor General must then sign a Warrant before the Government can draw on the Consolidated Revenue Fund.

Governor General Special Warrants are different. When Parliament is not in session and a payment is urgently required for the public good, the Governor in Council may, by order, direct the preparation of a special warrant to be signed by the Governor General authorizing a payment to be made out of the Consolidated Revenue Fund if there is no other appropriation pursuant to which the payment may be made. This is in accordance with Section 30 of the Financial Administration Act. The Minister of Justice (Mr. Lewis) when participating in the debate on the question of privilege, was quick to point out that the Government, in issuing the present Special Warrants, did so precisely because of the three conditions just mentioned.

[*Translation*]

Special warrants make it possible for the work of Government to continue even though Parliament is not sitting and the Supply process has not been completed, or begun anew. Special warrants may be used to pay the Crown's bills from the time of dissolution until the new Parliament has met or during prorogation and adjournment periods, so long as the terms and conditions of the *Financial Administration Act* are met and respected by the Government.

[*English*]

According to the Financial Administration Act, every Special Warrant is to be published in the *Canada Gazette* within 30 days after it is issued. Within 15 days after the commencement of the next session of Parliament, the Government must also table in the House of Commons a statement showing what Special Warrants were issued.

• (1130)

Moreover, the amounts appropriated by special warrants are to be included in the next Supply Bill so that the payments made by Special Warrant will come before the House for review and decision.

The Hon. Member for Kingston and the Islands (Mr. Milliken) suggested that Special Warrants can only be used during the dissolution of Parliament. His colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), made reference to 10 occasions when special warrants were used during this period. According to John Stewart's 1977 book, *The Canadian House of Commons: Procedure and Reform*, there are 12 instances where special warrants were used. Since 1977, we have found three other such occasions, for a total of 15.

The Hon. Member for Glengarry—Prescott—Russell referred to the fact that the only time that a Special Warrant was used outside of an electoral period was to repair the roof of the first Parliament Building in the 1890s. This Act was first adopted in 1878 under the title "An Act to Provide for the Better Auditing of the Public Accounts". In Section 2 of that Act we read:

> If, when Parliament is not in session, any accident happens to any public work or building which requires an immediate outlay for the repair thereof—the Governor in Council may order a special warrant to be prepared—

It is important to note the phrase, "when Parliament is not in session". During the early years following Confederation, Parliament only sat for a few months of each year. As time went on, the business of Government became more involved and Parliament met more frequently. In 1951, an amendment to the Financial Administration Act actually defined what was meant by the phrase, "when Parliament is not in session". Further amendments were made to that definition in 1958 and this resulted in the version we have today, namely: "Parliament shall be deemed to be not in session when it is under adjournment *sine die* or to a day more than two weeks after the day the Governor in Council made the order directing the preparation of the special warrant".

[*Translation*]

This part of the Act clearly states that a special warrant may be issued during periods when Parliament has been dissolved for an election, prorogued or during periods when Parliament is adjourned for a lengthy period. Hon. Members may be quite correct in stating that all previous special warrants (except for one) were issued after Parliament was dissolved for an election, but if one reads the Act itself, there is no inference that the words "not in session" were to be restricted to dissolution periods. It is an indisputable fact that when both Houses are in a state of prorogation, Parliament is "not in session".

[*English*]

All this being said, the Chair must now decide whether or not the matters raised by the Hon. Members constitute a prima facie question of privilege. The Opposition contends that the Government has been using the Financial Administration Act to circumvent the traditions and conventions of the supply process. The Government argues that the provisions of the Act have been followed, an Act validly passed by Parliament.

Having just explained the provisions of the Financial Administration Act in the matter of Special Warrants, the Chair finds itself in an awkward position for I do not want the House to misconstrue these comments as anything other than background for the information of all Hon. Members. The question of whether or not the terms of the Financial Administration Act have been respected in this instance is not a matter that was raised in the arguments put forward on April 6, nor indeed is it a matter upon which the Chair would be in a position to rule.

The Chair has no authority to venture beyond the realm of parliamentary practice and procedure into questions of law.

The Hon. Members for Kingston and the Islands and for Glengarry—Prescott—Russell argue that conventions in our Constitution have been breached in this instance. The Chair wishes to restate what my predecessors have so often reminded the House, that the Speaker has no role in interpreting matters of either a constitutional or legal nature. Let me quote Citations 117(6) and 240 from Beauchesne's Fifth Edition:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law though the same may be raised on a point of order or privilege.

In addition, let me refer to a decision of Mr. Speaker Lamoureux of July 8, 1969, on page 1319 of *The Journals* where he says:

> I have had occasion in the past to indicate that it is not the responsibility of the Chair to rule on questions of law or on constitutional questions. This ruling has been made in many instances by previous Speakers. I should like, if Hon. Members would allow me to do so, to quote at this time a ruling made by the Deputy Speaker on Friday, October 25, 1963. It reviews some of the authorities on this point: "I have listened with much interest to the argument made by the Hon. and learned Member for Rosedale (Mr. Macdonald). I gather the essence of the argument he submits now is that the Bill should not be considered, that it is out of order because it is *ultra vires* the Parliament of Canada.
>
> My submissions at this time is that it should not be the responsibility of the Chair to rule whether a particular Bill or particular piece of legislation submitted to Parliament is or is not within the competence of this House.

The reason for these citations are straightforward. The Speaker should not sit in judgment on constitutional or legal matters. That role belongs more properly to the courts and the administration of justice. Previous Speakers have been very careful in strictly addressing themselves to matters of a parliamentary or procedural nature while avoiding dealing with constitutional or legal matters. Similarly, in this instance, the Chair must restrict its examination to the question of a possible infraction of the Standing Orders.

After studying the circumstances of this case to determine whether the ancient rights of Members of Parliament have been denied in relation to the granting or withholding of supplies, the Chair concludes that the Government has respected all of the procedures required by the House. As the Hon. Member for Kingston and the Islands has himself said, the House will have an opportunity to pronounce itself on the moneys found in the Special Warrants when the House votes on the next appropriation Bill.

[*Translation*]

While Members may complain that they do not have an opportunity to examine these expenditures before they have been allotted, the very nature of special warrants calls for the approval of the House after the fact. The cure for that complaint lies more properly within the legislative process by amending the *Financial Administration Act* to the greater satisfaction of the majority of Members in the House. As to the argument that the law has been breached, Hon. Members have other avenues available to them to demonstrate and establish those facts.

[*English*]

After considerable reflection, the Chair finds that no Standing Orders have been contravened, and it has not been demonstrated that a prima facie breach of a Member's privilege has occurred.

I want to thank Hon. Members for raising the matter which is of course fascinating to all of us in this House and to all of us who follow parliamentary traditions and conventions.

I must point out that the response of the Chair has been lengthy but in my view the arguments presented to the Chair were worthy of very serious and lengthy consideration. I thank Hon. Members.

[*Translation*]

Mr. Speaker: I wish to inform the House that as a result of the Minister's statement, Government Orders will be extended by eight minutes, starting at one o'clock today.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1989–90

MEASURE TO ENACT

The House resumed consideration from Monday, May 1, of the motion of Mr. Wilson (Etobicoke Centre) that C–11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I welcome this opportunity to speak in the House today to Bill C–11, a very important piece of legislation that deals with borrowing authority, with the federal Government's borrowing requirements for 1989–90.

Perhaps I may give the House a summary of the country's financial situation in 1984, when we began, and the situation as it is now, in 1989.

Madam Speaker, you will recall that in 1984, when the Conservative Government was elected, this country's annual deficit was $38.5 billion, while the national debt had risen to about $200 billion. Since 1984 we have managed to reduce the Government's deficit year after year, bringing it down to $28.5 billion by 1988–89. We did so despite the Opposition's insistence that what we did would bring about a recession, cause unemployment and make the Canadian economy go into a nosedive. However, during the past four years, job creation has been ten

times what it was between 1980–84, under the previous government.

• (1140)

All this, Madam Speaker, is part of our economic and fiscal plan to put Canada back where it ought to be internationally, as a country with a normal debt burden, not the debt-laden country the Liberal Party left us in 1984.

During the past six months, rising interest rates have hurt a number of Canadians, but they have also hurt the federal Government. As a result of rising rates, the debt charge has risen above $6 billion for this year, partly because of the debt we were left by our predecessors. These $6 billion, added to the annual deficit I mentioned earlier, would have raised this year's deficit to about $34 billion.

In the Budget we had to take stringent measures, both to reduce spending and to increase the revenues the Government needs to control the annual deficit and the national debt.

The announced spending cuts may not be welcomed by everyone, and I realize that. What surprises me, Madam Speaker, is that the Opposition criticizes the spending cuts in the Budget but complains that the deficit is still too high, and then turns around and wants us to spend more money. How can they expect us to reduce the deficit when they want this Government to increase its spending?

Madam Speaker, I think we are lucky to have a Minister of Finance (Mr. Wilson) who is truly exceptional and who in his last five Budgets has done a tremendous job of putting the finances of this country in order.

The increase in revenues announced by the Government in the Budget has been achieved without penalizing low-income Canadians, by putting this burden on those who are able to carry it. Furthermore, the Budget provides for a judicious mix of revenue sources: increase in sales tax, increase in personal income tax, a tax on large corporations, and also a change in the level of unemployment insurance and a radical change in the federal sales tax. And you know as I do that the federal sales tax we have in this country is 65 years old this year, since it started in 1924. So we think that after 65 years, the present system should retire and we will bring in a new system for the Canadian economy of the 1990s, one that Canadians want; that is, they will see the taxes they pay, which is not the case with the present federal sales tax. It will also correspond to the world situation. Do not forget that the proposed new federal sales tax system is already in place in 48 countries in the world and works well.

So, Madam Speaker, all this means that we have essential measures to bring our deficit back down to a proper level in the coming years, that is, around $15 billion in 1993–94, and to control inflation which threatens every household in the country. If it is not controlled by some rise in interest rates—we know what happened in 1980 and 1981, when the party in power let inflation rise to 12 or 13 per cent. At some point, it realized that things were not working and that inflation was too high. So it said that the only way to reduce inflation was to raise interest rates, which it did. We had interest rates of 22 and 23 per cent.

An Hon. Member: We remember!

Mr. Vincent: We remember very well and I began my law practice then—I remember it very well.

And what we are saying today, and especially what we have done, is the opposite! We have to let interest rates rise somewhat to keep inflation at what is considered a reasonable rate accepted by and acceptable to all Canadians, around 4 per cent. And we knew that in so doing, we would have some problems with the Budget.

I think, Madam Speaker, it is as important, if not more important, to have a slightly higher deficit this year, but a reasonable rate of inflation and economic growth for the country, than to have a situation similar to what we had in 1980, 1981 and 1982, when households, contractors, everyone suffered from the policies, or rather lack of policies, of the government then in power.

So, Madam Speaker, Bill C-11 asks this House for authority to borrow $25.5 billion to make up for the shortfall we will have next year. I think it is important and imperative that this House pass Bill C-11 as soon as possible.

When you talk about financial requirements and you follow a country's finances closely, you know how important the gross domestic product is. This Government's financial requirements for this year will be 3.2 per cent of the gross domestic product, which is much better than what we had in previous years, when it was 6 or 7 per cent.

What is even more encouraging, Madam Speaker, is that in 1993–94, it is expected to be 0.3 per cent of the gross domestic product. That is all the Government's financial requirements will be.

So I think that this Government and all Canadians have to pitch in so that in future years, we can achieve what we want for this country: economic growth, job creation and a better quality of life for all citizens in the land. For that, we must act immediately and that is what the Government has done. That is what the Minister of Finance (Mr. Wilson) has done. And that is how we see the future. Again, we should pass Bill C–11 as soon as possible.

Mrs. Marleau: The Hon. Member first said that our debt amounted to $200 billion in 1984. I wish to correct him, Madam Speaker, because, in 1984, our debt added up to $170 billion. Then can you tell me why, if you have made cuts in all the programs as you said, our deficit is still $30.5 billion? That is what we do not understand. Individuals and families alike will all be affected by the cuts you made in the name of the deficit, which is even bigger this year than last year.

Mr. Vincent: Madam Speaker, I thank my colleague for her question. I said it in my speech, but it bears repeating because, as she said, many people find it difficult to understand.

In 1988–1989, the deficit amounted to $28.5 billion. As all Canadians know, interest rates rose throughout the country. When interest rates increase for individuals, they also add to the Government's debt. Since our debt was $320 billion, the increase in interest rates cost us an additional $6 billion for that year. That is $6 billion more than planned to service the debt and it is higher than the amount mentioned in the Budget because the interest cost has risen. Therefore, 28 plus 6 equals 34 and, if I subtract the cut–backs, I get 30. It is that simple! There is nothing mysterious about it and every Canadian family affected by the rise in interest rates can understand it. I am confident that my hon. colleague opposite understands it now too.

[*English*]

Mr. Duhamel: Madam Speaker, the Government often talks about its job figures. In doing so I suspect it is not willing to acknowledge that there has been as much job creation under previous Governments as under this one. I refer the Hon. Member to at least a decade ago when we created as many jobs.

While the Government quotes an impressive number of jobs, I would like to know whether or not that takes into consideration the jobs that were lost along the way. I suspect not. However, I am willing to be corrected. Do those figures take into consideration the types of jobs that were lost along the way, as well as the quality of jobs? How many jobs created were in fact part–time jobs? How many of those jobs created paid minimum wage? How many of those jobs were dead–end jobs? Finally, to what part of Canada did those jobs go? I would like to have answers to those questions.

• (1150)

[*Translation*]

Mr. Vincent: Madam Speaker, I think my colleague has just opened a can of worms. From 1980 to 1984, 80 percent of the jobs created by his party and his government under programs such as Canada Works, were part–time or temporary jobs lasting anywhere from three to five months. On the other hand, from 1984 to 1988, statistics show that 80 percent of the jobs created were full–time, permanent jobs, I repeat, 80 percent! Add 80 to 80, Madam Speaker, and you get a difference of 160 percent between 1980–1984 and 1984–1988. Where were these jobs created? From one end of the country to the other. In all regions of the country, there has been an increase in the number of jobs created and these, I repeat, are permanent jobs.

Madam Speaker, when I was elected in 1984, the unemployment rate among young people was almost 18 percent. It is much less today. In my riding of Trois–Rivières, the unemployment rate was 3 percent higher than it is today. And job creation has occurred in almost all ridings. In closing, Madam Speaker, I would like to point out to the Hon. Member that when we say that the government has created one million and a half jobs, it is a way of putting it because these jobs in fact were created

by investors and business people who had confidence in the policies of the Conservative governement. And these jobs, I repeat, are permanent jobs, not part-time jobs created under phoney programs which were common in past years. There is no comparison whatsoever between the jobs created between 1980 and 1984 and the jobs created between 1984 and 1988. No comparison whatsoever!

[*English*]

Mr. Karygiannis: Madam Speaker, the Hon. Member must be either in a dream state or not in this world. He stood in his place and quoted to us the number of jobs that were created from 1984 to 1988. My question to the Hon. Member is this: Is he aware that the 9 per cent sales tax that the Government proposes will have an effect on jobs? Is he aware as to where high interest rates are taking us? They will cost us jobs. Is he also aware that these factors combined will cause inflation to skyrocket? We will be back into the levels of inflation that the Government accuses this Party of fostering some years ago. It was not our fault at that time. They were caused by a global economic recession.

Is the Hon. Member aware that what his Government is doing will cost jobs? If he is aware of that, how many jobs will it cost? I do not want to hear him rambling on giving us the figures for the period 1984 to 1988. We have heard them before. We know those figures.

As my hon. colleague on this side of the House has said, these are dead-end jobs and jobs paying $4.50 an hour at McDonald's. Canadians are sick and tired of hearing that. Can the Hon. Member come clean today in the House and say to the people of Canada how many jobs this 9 per cent sales tax will actually cost? Will he do that for me? I do not want to hear him rambling on with the figures for 1984 to 1988. I want to hear what will happen tomorrow. That is what I would like to know.

[*Translation*]

Mr. Vincent: This morning, interestingly enough, our remarks seem to cut the new Members of this House to the quick, Madam Speaker. I am surprised that my Hon. friend should ask me this question. Unfortunately, he was not sitting in this House a year or two ago when his party's official finance critic repeatedly insisted on the need to amend the federal sales tax, claiming together with the Hon. Member for Saint-Léonard—Anjou that the Government should change the sales tax system immediately because it was responsible for Canadians losing their jobs. I believe the Hon. Member for Saint-Léonard—Anjou was then as he is now his party's official National Revenue critic. Madam Speaker, he is the one who repeatedly insisted that the Government should amend the sales tax system because it was responsible for Canadians losing their jobs. We are acting on the 1990 economy. We are removing the 12 per cent manufacturers sales tax which is indeed causing Canadians to lose their jobs by favouring importers at the expense of Canadian producers. We are going to implement openly a 9 per cent federal sales tax which will encourage exports—

Mr. Gauthier: A regressive sales tax!

Mr. Vincent: —which will not apply to exporters, and which already exist in 48 countries, Madam Speaker.

Mr. Gauthier: It is not true!

Mr. Vincent: Madam Speaker, please advise the Hon. Member for Ottawa—Vanier (Mr. Gauthier) to keep quiet, that he will have an opportunity to rise later on.

Madam Speaker, it is a tax which already exists in 48 countries and which is quite successful.

Finally, I should like to reply to the other question of my hon. friend who unfortunately was not listening when I said that interest rates are indeed rising. They are rising on purpose to fight against inflation and prevent the recurrence of a situation such as that in which his Government placed us in 1981-82. That is the reason they are rising, Madam Speaker, and not to cause Canadians to lose their jobs. Quite the contrary! Thanks to this Budget and this Government, Canadians can look forward to the future.

• (1200)

[*English*]

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Regina Qu'Appelle.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, I am glad to join in the debate this morning on the Government's request for some $25 billion. We heard the Budget first delivered in the Press Gallery then sort of delivered in the House when, in fact, all of the Opposition Members except for one were absent. This Budget was the fifth one introduced as a short-term pain for long-term gain type of Budget. This Budget asked Canadians to tighten their belts once more, to have services and expectations cut so that the Government can begin to control the country's finances. It is

obvious the four previous Budgets of this Government have failed to control our finances. We have seen our debt increase. We have seen taxes increase. We have seen services increase. When a president of a private company or business has such a dismal record, he or she will resign. In my opinion the Minister of Finance (Mr. Wilson) should resign because he has had four years of failure, failing to manage the public interest and the public purse.

In this Budget we have cut-backs in transfer payments, resulting in cut-backs to education, cut-backs to important services provided by the provinces; cut-backs in university education, health programs and welfare programs. All of these will be cut back. There will be cut-backs in agricultural programs affecting farmers in my constituency and cut-backs to VIA Rail. Canada will no longer be able to take pride in a passenger service system from coast to coast. There will be cut-backs for the Canadian Broadcasting Corporation that will undermine one of the important institutions that has kept this country together. Then there are to be cut-backs in regional development right across the board, and in services that are important to Canadians and which keep this country together. These are the very things that the Government is attacking.

We see an increase in taxes. When all the increases are fully into effect, by next year, Canadians will be paying some extra $700 in taxes for an average family of four. Once the regressive sales tax is fully implemented, another $1,000 will be taken out of the pockets of the average Canadian family. I suggest that this is the ineptness of the Minister of Finance in managing our economy.

The Minister justifies everything by claiming that we must bring the deficit under control. In that I have no disagreement. Indeed, we should control our deficit. There is nothing socialistic about taking out approximately 2.5 per cent to 3 per cent of our Gross National Product and putting it into the pockets of upper income Canadians. That is what happens when we pay $30-some-billion a year on interest. The interest payment is around 6 per cent of our Gross National Product. Around 37 per cent to 40 per cent of that goes to banks and to the insurance companies that control most of the debt. Around 2.5 per cent to 3 per cent of our Gross National Product goes into the pockets of the banks and the large insurance companies. These are the upper income Canadians.

There is a shift of wealth into the pockets of upper Canadian income earners through our debt. There is nothing socialistic about that. I am certainly not prepared to support that. In analysing the debt and the deficit, let us first look and determine how this debt occurred in the first place. When I hear the Liberals talking about the deficit, there are crocodile tears. Surely they must take responsibility. It was during the Trudeau years in the 1970s when the Leader of the Opposition (Mr. Turner) was Minister of Finance that the seeds were sown resulting in the deficits we see today. Much of that did not come about necessarily through direct expenditures but what the Auditor General has termed indirect expenditures. Those tax cuts, tax loopholes, that never got on the books could never be seen as expenditures, but they were real expenditures creating a loss of revenue. This loss of revenue caused the type of deficits that we have.

The Tories have been telling us we are living beyond our means, that is why we have the deficit and we have got to cut back. By living beyond our means, what they really mean is that our social programs are just a little too rich. That is in essence what the Tories have been saying is the cause of our deficit. If we look at the other OECD countries, the other western industrialized countries, in terms of what they spend on social programs as a percentage of their gross domestic product as compared to what we in Canada spend on our gross domestic product, Canadians are not living beyond their means.

When we look at the figures of what gets spent on housing, unemployment insurance, health care, pensions, on these important social programs, what do we find? In 1983 France spent 26 per cent of its gross domestic product on social programs. Italy spent 19.4 per cent. West Germany spent 17.1 per cent, Britain, 13.7 per cent, Canada 12.5 per cent and the United States, 12.1 per cent.

Of the western industrialized countries, we were the second lowest in terms of what we spent on social programs. We are not living beyond our means. In fact, we have not been collecting taxes or collecting revenues. That is why we have the deficit we have today.

Some Hon. Members: Hear, hear!

Mr. de Jong: To prove this fact, in 1983 a woman who was a teller with the Royal Bank of Canada actually paid more dollars and cents in taxes than the Royal Bank of Canada did. The Royal Bank of Canada in 1983 had well over $360 million in profit and did not pay one cent of tax.

Some Hon. Members: Shame!

Mr. de Jong: It is no wonder that we have the current deficit. It is not because we are spending too much on unemployment insurance, education, child care or medicare. It is because of those who have not been paying their fair share. What has been the Tory record? While we certainly have to lay much of the blame on the Liberals because they created the tax loopholes and tax laws that allowed the Royal Bank of Canada, for example, not to pay a cent of tax on income over $360 million, the Tories made a bad situation even worse. They followed Reagan economics and Thatcher economics. They gave further tax breaks to corporations and to the rich. They have been socking it to middle and lower-income Canadians since they came to power in 1984.

• (1210)

Of course, it is a record of failure. The Budget forecasts show that as a result of Tory economic policies, unemployment is expected to rise to 8.2 per cent by year end and to some 8.5 per cent next year. Economic growth will slow from 4.5 per cent in 1988 to 3 per cent in 1989, and 1.7 per cent in 1990. Yet interest rates will remain high and there will be an increase in inflation. Under Tory economic management there will be increased unemployment, less economic activity, higher inflation and higher interest rates.

Mr. Riis: Some package!

Mr. de Jong: As my hon. colleague says, some package. It is a recipe for inflation. There will be no economic expansion while inflation will continue to increase resulting in a massive shift of wealth from the lower and middle-income groups to the higher and upper-income groups.

The Conservative prescription for curing our economic ills will be the continued concentration of economic power and wealth in our Canadian society. It will only exacerbate our economic ills.

The Budget projections just do not make sense. There will be increased unemployment, a downturn in our production and ongoing high interest rates, which means the deficit figures will continue to rise. Future Conservative budgets will expect us to make more sacrifices, to have more cut-backs, and to pay higher taxes. Of course, the Minister of Finance will never attack capital gains. He will never attack lower tax rates on investment because that is supposed to be the inducement to investment and the creation of wealth.

That brings me to the second part of my speech. It concerns the Tory notion of how wealth is created. We have seen paper wealth being created in Margaret Thatcher's England and Ronald Reagan's United States. Tremendous debts have been rung up by the private sector, thereby increasing the cost of production in our western economies at the same time, often resulting in lay-offs, further unemployment and other forms of inflation.

There is no doubt that the current high interest rates are keeping our deficit high as well as inflicting a lot of suffering and pain on average Canadians. Historically, the relationship between interest rates and inflation is that the interest rates are normally some two points higher than inflation.

An inflation rate of approximately 4.5 per cent means that our interest rate should be about 6 per cent to 7 per cent. At 7 per cent, our deficit becomes manageable. In fact our deficit does not quite compare to the deficit at the end of the Second World War, but that deficit was manageable because there was a lower interest rate. The present deficit would become manageable with an interest rate of 7 per cent.

The farm debt that plagued so many of the farmers in my constituency would become manageable at a 7 per cent interest rate. The young family who is trying to pay a mortgage needs two incomes to barely be able to make those payments. But at 7 per cent, life becomes a little easier for those young families who are trying to put a roof over their heads.

The Government says that it needs the high interest rate in order to keep inflation down. We have had high interest rates and inflation continues to rise. The Government says we need to cap inflation. Why must we continue pressing the interest rates so high? Of course, Canadians to whom I have talked see the folly of it all. They are telling me that increased interest rates induce inflation. It increases the deficit and the cost of production. Indeed it does.

Those average Canadians see through this folly even though the Minister of Finance might not. I suspect the Minister of Finance knows better. I suspect the reason why we have higher interest rates is because we must keep the Canadian dollar high. I suspect the reason why

we have to keep the Canadian dollar high is because of the understanding with the United States concerning the Free Trade Agreement. I suspect we have to keep the Canadian dollar high because the Americans will not play ball with us and the Free Trade Agreement unless the Canadian dollar is high.

The increase in the value of the Canadian dollar over the last year has essentially had the effect of a tariff on Canadian goods at about 10 per cent to 15 per cent.

Farmers in my constituency know this because they are exporters. They export their hogs, their beef and their grain and know that every time the Government increases the interest rate and the dollar goes up, the value of their exports decrease and their ability to export decreases. Yet the Government says it needs to keep the Canadian dollar up, otherwise imports will cost more. It is saying that our exports will increase and we do not have the plant capacity to produce more. We really see what the Government is all about. It is attempting to keep the Canadian dollar up so that it will fulfil its promises to the Americans in terms of the Free Trade Agreement.

The Government does not have the vision or the imagination to begin developing an economic policy and strategy that works from coast to coast rather than just in southern Ontario. Surely these higher interest rate policies affect the Maritimes, northern Ontario, Québec, the Prairies and British Columbia. If there is concern about too much plant capacity in the Golden Triangle, surely there could be an economic policy and strategy that would induce manufacturing outside the Golden Triangle and into the Maritimes, the Prairies, northern Ontario and the West Coast. That would be the strategy if we had a Government that believed it had a role to play as an active participant in the economic life of this country, a Government that believed in working together not just with the private sector but with the workers and farmers to create an economic strategy that is good for all Canadians.

However, it is a Government that does not believe that government can and should be playing a role as an active participant in the economic life of this country so that wealth can be produced and more fairly distributed.

We live in an age of abundance. The newer technologies allow us to produce at a fraction of the previous cost. There is great material wealth. Yet in this age of abundance, there are the homeless, there are food banks and operations are being postponed because there are not enough hospital beds. We do not have enough money to allow native children to get a university education. The one clear way out of the cycle of poverty for Indian people is higher education but there are limits and restrictions on that. We do not have enough.

• (1220)

We are living in an age of provincial, municipal and federal cut-backs, slashes and downgrades because we do not have enough to provide the basic necessities for human life. All this is in an age of abundance, all this is in an age in which there is so much material wealth and the capacity to produce beyond our imagination. Yet we live in this age of scarcity. I find that to be obscene. That is an indictment against the Government's bad management. We are living in an age of plenty, in a country so endowed and blessed, but we do not have enough for basic necessities. That surely is an indictment of the Government, the Minister of Finance and their mismanagement.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I welcome the opportunity to make some comments and to ask a question of my colleague from Regina—Qu'Appelle. We have heard the same old speech from the Hon. Member many, many times, the frothing and foaming, the ranting and raving about all of the problems in the economy, about how terrible it is that programs unfortunately have to be reduced and that taxes have to be increased in order to meet a debt problem which has built up over the past 20 years.

There is no use going back over old ground. That has been talked about here before. The fact is that there is an enormous national debt and it has to be serviced. The tragedy is that the interest on that debt is taking up more and more of government revenue, thereby leaving less and less for other things, the kinds of programs that all of us here would like to see improved, enhanced and continued.

What is the answer in the face of that debt and that debt servicing problem? It seems that the choice is either to reduce Government expenditures, to increase Government revenues or, another alternative which is resorted to by other countries, to print money and debase

the value of currency. The fact is that in a country such as Canada which has credibility in the world and is part of the G–7, we have to act responsibly. Clearly we have to address the debt problem, and the way to do it is the manner in which the Minister of Finance has proceeded in this Budget. That is to reduce expenditures fairly and evenly across the economy and to increase taxes.

I listened to my hon. friend with whom I served on the Finance Committee for several years for the entire 20 minutes, but I did not hear any kind of useful, practical suggestion from him. I heard the usual complaining about those mythical corporations which are profitable but, because they carry forward perfectly legitimate losses or because they have perfectly legitimate investment tax credits, pay no taxes. We all know about that silly song. We are looking for a practical solution, a practical suggestion, from Members of the New Democratic Party. Surely it is not enough to continue to whine, complain, argue against reductions and argue against tax increases. I would like to hear a positive suggestion from Members of the New Democratic Party. If they are talking about taxing these mythical corporations, let us hear some concrete suggestions about how we could do it and at what percentage. Will it be a capital tax on large corporations? That is good but do they want it increased over what it was in the Budget? If so, they should say so.

I heard the Hon. Member complaining about the value of the Canadian dollar. Somehow we are to force down the value of the Canadian dollar as evidence that we are a vibrant country. Surely if reducing the value of a country's currency is to be something that is valued, then Bangladesh would be a world power. Clearly, the value of our currency *vis–a–vis* other currencies is simply a reflection of the esteem in which our country is held, and I am proud that the value of the Canadian dollar has enhanced over the past couple of years. I think it is simply a measure of the esteem in which this Government and the Minister of Finance are held around the world.

I would like to close by asking the Hon. Member, who can hardly restrain himself, for a concrete suggestion, just one, for dealing with the debt problem. How would Members of his Party reduce the deficit? We do not want to hear the same old garbage about these mythical profitable corporations. Let us hear it from the Hon. Member.

Mr. de Jong: Madam Speaker, indeed it is a delight to answer a question from my friend and former colleague on the Finance Committee. First, had my friend stayed on the Finance Committee long enough, he would have heard some suggestions to which everyone on the Finance Committee agreed, but unfortunately, at the time, the Minister of Finance did not accept them. Had some of the recommendations we made regarding taxing financial intermediaries like the banks been accepted by the Government, there would have been more revenues from financial intermediaries. Had the Government accepted the notion of an advance corporate tax which is not quite as good as the minimum tax on corporations Members of the New Democratic Party have been proposing, more revenues would have been collected and we would have had a fairer tax system.

My friend rises in the House today and welcomes the higher Canadian dollar. I suspect he does not say that too often in his home constituency. I am sure the ranchers there are not all that pleased with a higher Canadian dollar. In fact, my friend believes in the free market. If he really believes in the free market, why does he not allow the dollar to simply float in the free market? Why does he not allow interest rates to float in the free market? If interest rates and the dollar were allowed to float in the free market, I would suggest that they both would be down quite substantially.

Mr. Stupich: And the deficit.

Mr. de Jong: Indeed, and the deficit, because interest rates would be lower.

Canadians are still saving. The bloom has gone off the southern Ontario boom. The demand for excess capital is not all that great. Interest rates could very well begin to go down. It is the activist intervention of the Bank of Canada and the Government that is keeping the interest rate up. The interest rate is being kept up, I suspect and I submit, because of the Free Trade Agreement.

We have made suggestions for dealing with the revenue side. I would suggest to the Hon. Member that we all agree that the deficit is a problem. How are we to tackle it? First and foremost, Members of the New Democratic Party insist that it has to be done fairly. The record of this Government is that it has not been done fairly. It has been done on the backs of the poor and middle–income earners. Every social study has proven that fact. Surely the Government cannot deny that.

If we are to tackle the deficit, first let us do it fairly. Let us also call upon industry as well as working people, fishermen and farmers to shoulder the burden of the debt. That means responsible behaviour on their part as well.

We have talked about Government debt. We should also talk about corporate debt. Right now, large corporations will acquire $100 million or $1 billion in extra debt as a poison pill in order to prevent corporate take-overs. Other large corporations are borrowing billions of dollars to take over corporations .They do it at government expense because it is tax deductible. They make capital scarce. They do not add to production. In fact, they decrease the ability and strength of our corporations.

• (1230)

We now find that the financiers are now the chief executive officers, not the engineers, because our corporations are not concerned with production any longer. We are losing the economic war to the Japanese and Europeans. We are losing jobs.

There is mass irresponsibility on the corporate side and yet they stand here and tell our Government they need more tax breaks, more inducements in order to invest, and special rates. As the Minister of Finance (Mr. Wilson) suggested to his friends in his constituency, we need lower tax rates in order to induce investment. Yet much of that investment is going for corporate take-overs, money that further drains our treasury and further weakens our corporate sector. It leads to the loss of jobs and wealth.

In response to my friend, if we are to seriously go about the business of putting our economic house in order, we need the full co-operation of the business sector as well as labour, farmers, fishermen, all those men and women involved in activities that make our economy function. It has to be a collective responsibility. We need a Government that can show leadership in bringing that about. So far, we have seen a Government that lacks the imagination, the foresight and the leadership. That is why I again propose that the Minister of Finance should resign.

Mr. Pat Sobeski (Cambridge): Madam Speaker, Bill C-11, the Borrowing Authority Act, 1989-90, permits the Government to borrow $25.55 billion. This will permit the Government to meet its financial requirements and conduct foreign exchange operations.

The projected deficit is $30.5 billion in the 1989-90 fiscal year compared with $38.3 billion in the 1984-85 fiscal year. However, this is not equal to the borrowing requirements of the Government.

The Government's financial requirements are a comprehensive measure of its demands on credit markets. These requirements have fallen sharply from the $29.8 billion in 1984-85 to the projected $20.5 billion in 1989-90. Relative to the size of the economy, financial requirements have fallen from 6.7 per cent of Gross Domestic Product to a projected 3.2 per cent this year. By 1993-94, the Government's financial requirements will have fallen to $3 billion or 0.3 per cent of the Gross Domestic Product.

I am a new Member in the House, but I heard references yesterday going back to comments made by C. D. Howe. We have heard Finance Ministers stand up in this House and say it before. One Finance Minister stood up and said: "We intend to continue severe restraint. Our experience this past year and the prospects next year force us all to recognize the central problem of the control of public expenditures in Canada today". Many may think that sounds like the current Finance Minister, but that was Edgar Benson in his Budget Speech of October, 1968, 20 years ago. The Finance Minister at that time said a tight rein was needed because expenditures had surged to $12.3 billion.

In June of 1969, which was the Budget of the last fiscal year that Ottawa showed a surplus of some $332 million, the Finance Minister at that time said: "A fiscal policy of restraint, combined with restrictive monetary policy, would be an effective combination to overcome persistent inflationary pressures." That was 1969. We are hearing the same comments today.

On March 12, 1970, when spending climbed by 12 per cent, the Finance Minister told Members of this House: "Members are aware of our sustained effort to restrain the growth of expenditures". In the June 18, 1971 Budget, spending jumped 15 per cent in fiscal year 1971-72. Transfers to the provinces rose 40 per cent and federal funds for education climbed 41 per cent.

Then we come to the Budget of May 8, 1972, the then Finance Minister Turner's first Budget. It was full of goodies for the election expected that fall. One was inflation indexing, which was to contribute in large measure to future deficits. The Finance Minister at that time said: "The bare fact of the matter is that we cannot do everything at once. We simply do not have the resources". In that Budget, spending went up 15 per cent and the deficit rose to $1.8 billion.

We now come to February, 1973. The Liberals had been returned as part of a minority Government and needed the parliamentary support of the New Democratic Party. The Finance Minister said: "Cutting taxes, instead of increasing spending, reflects the government's determination to impose restraints upon its own spending." It did cut personal taxes. They fell by some $1.3 billion. What about reducing spending restraints? In the fiscal year of 1973–74, spending jumped 17 per cent.

May 6, 1974 was another pre-election Budget. For the fiscal year 1974–75, spending went up 28 per cent. There were further cuts in revenue, too. The sales tax on building materials was cancelled. Personal income tax credits were increased. The $1,000 exemption for interest income was introduced. Finance Minister Turner said he would hold the deficit to much the same effective level as the previous year to help counter inflation. The deficit was over $2 billion.

We now go to June of 1975, one year later. The Finance Minister said: "The Government proposes to set an example of restraint in this regard by imposing strict control over its activities and programs". Inflation was running at 10 per cent. With indexing, government revenues climbed only 8 per cent while spending had soared 20 per cent. The deficit had gone from $2 billion to $5.7 billion in just one year. It almost tripled.

In May of 1976, after the introduction of wage and price controls, Finance Minister Macdonald said: "In recognition of the widespread feeling among Canadians that present circumstances demand restraint in government spending, the Government has stated that the trend in total spending by all Governments in Canada should not rise more quickly than the trend in Gross National Product". In the March, 1977 Budget, interest payments came to $5.5 billion which was about half of the $10.4 billion deficit.

In his last Budget, the Finance Minister told Parliament, "For some time, our policy has entailed a sizeable deficit. As the slack in the economy is taken up, the deficit will be reduced". That comment was made in 1977, some 12 years ago.

We move to April of 1978. This was Jean Chrétien's first Budget. As spending rose 10 per cent, the Finance Minister said: "We have all come to expect too much of the economy. Governments increased their spending too quickly. The expenditures of all levels of Government in Canada have since been brought under control". Then we come to a Budget in December, 1979. Spending growth was pared down to 8 per cent. Why the reduction? Because this was the Budget introduced by Finance Minister Crosbie. Short-term pain for long-term gain. At that time the Conservative Finance Minister said: "The most fundamental element in our plan to lower the deficit is severe restraint over government expenditures." That was the Budget that included the 19-cent a gallon increase. After that election we saw the introduction of the litre and within a year we saw the price of gasoline increase some 60 to 70 cents a gallon.

• (1240)

On October 28, 1980, Allan MacEachen's first Budget included the dramatic National Energy Program. Interest payments were $10.7 billion which accounted for three-quarters of the annual deficit of $13.5 billion. The Finance Minister said: "A major item in the Budget is the interest we have to pay on the public debt. We must slow down the growth of the public debt charges. This is one of the reasons I am determined to reduce the deficit". Here, one year after the Conservatives had introduced spending of some 8 per cent, and Finance Minister MacEachen saying that he would reduce the deficit, he put forward increases of some 17 per cent in spending for the fiscal year 1980–81. That was especially ironic, because he said he would have strict control over the rate of government spending.

We now move to November, 1981. Again the Finance Minister predicted that the deficit that year would be much lower, $10 billion compared to $11 billion the previous year. By the end of that fiscal year, the deficit had increased to almost $15 billion.

In June of 1982, the Government said: "The Government cannot responsibly add to the deficit. It has to reallocate resources. The last Budget put in place a structure of revenues and expenditures that should, when recovery gets fully under way, gradually lower the deficit." During that fiscal year, the deficit nearly doubled to $27.8 billion.

Then on November 8, 1984, the Tories were elected. In September we had inherited a $38.3 billion deficit, a national debt of $199 billion requiring interest payments of $22 billion annually.

An Hon. Member: What is it today? Double!

Mr. Sobeski: The Members behind indicate the total debt may have doubled. We inherited a debt of $199 billion. We are hearing numbers of $320 billion. That is not quite doubling.

An Hon. Member: One hundred and ninety-nine billion dollars is not quite the figure either. One hundred seventy billion dollars would be correct.

Mr. Sobeski: Just listen to this. In 1975-76 the deficit was $31 billion. In three years the deficit had gone to $60 billion. The Government of the day had managed to double the deficit in that period. If that was not enough, that Government took the national debt from $60 billion to $199 billion. It managed to triple the debt in that six-year period. It is not a record that the Liberal Government at that time should be proud of.

Fiscal responsibility has been a top priority since this Government took office four and a half years ago. In 1984, the fiscal situation presented the Government with a difficult challenge. Expenditures were growing much faster than the economy while revenue growth was falling far behind. In the four years ending 1984-85, the budgetary deficit had more than doubled relative to the size of the economy. The growth in the public debt had reached alarming proportions. Public debt was rising well in excess of 20 per cent a year. The rapidly deteriorating fiscal situation has become an impediment to sustained non-inflationary growth, the creation of jobs and ultimately the future well-being of Canadians.

During the past four years, this Government has faced up to the challenge of the debt with a series of tough measures to restrain government spending. We are now spending less on programs than we receive in revenues. The irony is that so long as we let government debt continue to grow, we reduce our ability to fund education, assist the jobless and assist the very needy in our society. The real opponents of social programs are those who refuse realistic discussion of deficit reduction. The current surge in interest rates shows how vulnerable Canadians are to debt costs. In just one year, the projected cost of paying interest on debt has risen by more than $6 billion.

Let us not kid ourselves. The measures in the Budget are tough because they match the challenge the nation faces. Deficit spending is deferred taxation, and that deferral cannot go on.

Some Hon. Members: Hear, hear!

Mr. Milliken: Madam Speaker, the Hon. Member who has just addressed the House has talked about the Government's management of the economy in the last few years in laudatory terms when many economists, businessmen, and Members of the Opposition indicate the opposite is true. One of the difficulties we face is the mounting size of the deficit. I want to quote two statements to the Hon. Member and ask if he agrees with my comments on them. The first is contained in the leaked Budget speech. Although we did not hear this read in the House, it has now been tabled. The document that I presume the Minister was supposed to read before the Budget sprouted the leak states:

> We recognized the seriousness of the debt problem when we came to office.

I could add they appear to have done very little about it.

> We have been acting to get it under control.

Four years of inaction.

> We have succeeded in reducing the growth of the debt from almost 24 per cent in 1984 to less than 10 per cent last year.

That is one statement made by the Minister of Finance in the leaked document. The other statement was made in the House yesterday morning by the Minister of State for Privatization (Mr. McDermid). I told him his statement was ridiculous and he disagreed with me. I want to read his statement. I quote from page 1111 of *Hansard* of yesterday.

> Our financial requirements were down from $30 billion to $22 billion in the same period. We reduced the growth of the debt to 9.9 per cent. That was the first time in 15 years that the debt growth was less than 10 per cent.

Anybody with an elementary knowledge of arithmetic can figure out that if the debt gets bigger, the growth will be a smaller percentage of the total. We can expect, therefore, that with the growth of the debt predicted in the Budget this year by another $30 billion and next year by another $28 billion, which will undoubtedly grow to $30 billion by the time the Government gets around to managing it, the growth in the debt will be down to about 5 per cent in no time.

To make these statements is to deceive the Canadian people, because they are not portraying an accurate picture of what is happening. We say the percentage increase of the national debt is going down. Yes, that is true; but the amount of the increase is just as big every year. It is ridiculous to suggest otherwise. Yet that is what is perpetrated in the leaked budget document on the second page. It was further compounded yesterday by the Minister of State for Privatization when he spoke in this House. I stated then and repeat today, it is

ridiculous to cite that figure. I ask the Hon. Member who has just spoken if he does not agree with me.

Mr. Sobeski: The Hon. Members are playing games with numbers.

Some Hon. Members: Oh, oh!

Mr. Sobeski: I was quoting Budgets from 1968–70. The bottom line is that 9.9 per cent growth is the first time in 15 years the debt has been below that percentage. The citizens and taxpayers of Canada understand that currently 31 cents of every tax dollar is used to pay interest on the debt. If the Government does not turn the annual interest problems around, that number will increase from 31 cents to 40 cents to 50 cents. This will result in the Government continuing to raise taxes. We will not be in a position to offer new programs. We will be taxing the taxpayers to pay interest.

• (1250)

It was quite clear that is what happened in this last Budget. Suddenly we are very vulnerable to the amount of the debt. The Budget that has been presented to the House indicates that in two years we will have turned the corner. In four years the annual deficit will be down to $15 billion, and then if we raise taxes we will be in a better position as a country to use those taxes for the programs that all Canadians want.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I would like to congratulate the Member for Cambridge (Mr. Sobeski) on a very useful and instructive contribution to the debate this morning. I think it is important to point out in passing that during the past four years figures indicate that in fact there are 1,500,000 more Canadians working today than was the case back in 1984.

I think it is instructive also to note the composition of the national debt and what has happened in regard to the deficit over the past four or five years. 1984–85 was the last budget year of the previous Liberal government. The deficit was $38 billion. Over half of that deficit figure was government program over expenditures.

The fact is that the Minister of Finance (Mr. Wilson) and the present Government has over the past four years worked that deficit into a position where the Government's expenditures today are in a balanced position, in the sense that current programs are financed out of tax revenue. The entire deficit for the past year relates to interest that was built up under those Liberal years.

I think it is important to point out that what we are spending money on today through the deficit is interest on that past Liberal debt entirely, not a bunch of nonsense like scientific research tax credits, Katimaviks, Canadairs and de Havillands and all of that kind of waste that went on during the past.

I would ask the Hon. Member, are these Members opposite not being a little bit hypocritical in suggesting that there have been massive increases in Government expenditures which are the root of this deficit? Is it not a fact that the root of the deficit today is entirely the mis-government and overspending of the previous Liberal Government?

Mr. Sobeski: I would like to thank the Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson). I would like to say that as a new Member sitting on the Finance Committee it is indeed a pleasure to be part of that committee, inheriting the fine legacy of this gentleman and other people who have made the Finance Committee such a good committee in the past.

I think what the Member is referring to is that in my previous comments we talked about Government saying in 1968, 1970, 1974 and 1978 that we all recognized the problems that would be created unless the debt was brought under control. I know the difference is that this Government not only recognized it in 1984 but rather than just engaging in rhetoric and forgetting about an increase in spending, we are doing something about it. That is the difference between what we have heard over the past 20 years and what this Government is doing today.

Mr. Pickard: Madam Speaker, I would like to just bring forward the question of responsibility in financial spending. I notice, as my hon. friend has pointed out, that he considers all the woes that our present Budget has as Liberal legacy.

I find it very difficult, in looking at a time line of four and a half or five years, that somebody who was there before can still be blamed. I also find it a little difficult to swallow that if the deficit was $168 billion five years ago, and it is $330 billion today, that this Government has worked very hard to reduce that national debt. The deficit has remained quite strong and we are going $30 billion per year further and further into debt. The suggestion has been made that this Budget is going to reduce our national debt or hold our national debt, or be a responsible Budget. Yet we are talking about $30 billion in that case as well. That is the projected debt next year.

It seems to me that I would like to hear the Member's comments with regard to the last four years, not the past 20 years. I would like to hear him comment on how responsible it is to double the debt in four years, going from $168 billion to $330 billion, and where we are heading now.

An Hon. Member: Right downhill.

The Acting Speaker (Mrs. Champagne): A short answer from the Hon. Member for Cambridge.

Mr. Sobeski: I guess it is where we draw the time line and I will start drawing the time line. In 1984 the annual deficit went from $38 billion, down to $34 billion, down to $30 billion, and down to $29 billion. It has been going down and down in that direction. From 1970–71, where we could perhaps start the time line, the deficit went up one year, went up the next year, went up the next year, and went up the next year. That has been the difference. With the time line going back to 1970, the deficit has gone up, and since 1984 to 1988 the deficit has been going down.

The Acting Speaker (Mrs. Champagne): The period of questions and comments has now expired. The Hon. Member for Kingston and the Islands (Mr. Milliken) on a point of order.

Mr. Milliken: Madam Speaker, there have been discussions between the Parties and I believe there might be a disposition to call it one o'clock.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 1.08 p.m., I do now leave the chair—

S.O. 31

[*English*]

The Member for Regina Qu'Appelle (Mr. de Jong). I apologize.

Mr. de Jong: Madam Speaker, I understand as well that there has been unanimous consent. I understand the Liberals want to take a little longer lunch break. We are in favour of that.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please! It being 1.08 p.m., I do now leave the chair until two o'clock p.m.

At 1.08 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

THE ECONOMY

IMPORTANCE OF REDUCING BUDGETARY DEFICIT

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Last weekend, Mr. Speaker, I met with about one hundred electors, as most Members do in their own riding. They all agree that Canada's budget deficit has to come down, so today I should like to tell the House about the message I conveyed to them. I told them that, human nature being what it is, we would all be inclined to let someone else shoulder the heaviest part of the burden. The Government's role is to ensure that as many people as possible are prepared to tighten their belt so as to restore the balance in the public accounts.

Regardless of the means used in the quest for that goal, the Opposition Parties are bound to disagree—for partisan motives, probably—as do certain pressure groups who feel they have been cheated out of something. The Government must entertain and respond to objections, listen to representations and consider their legitimacy, but first and foremost it has to govern, and that means discharging the responsibilities mandated by the people. The situation is too serious and our leaders simply cannot jeopardize Canada's economic future for the sake of political gain.

Canadians will come to appreciate that in the interest of our children and grandchildren we must follow the straight and narrow path for a while.

* * *

ADJUDICATION OF CONTRACTS

RESPECT OF STANDARD

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, my comments concern the call for the tenders for the relocation of Transport Canada.

By announcing that the call for tenders in connection with the relocation of Transport Canada was cancelled, the Mulroney Government has violated the fundamental principle of the contract process, thereby jeopardizing its ethics and integrity.

The Mulroney Government has tried to sink a major project that had no financial impact on the current Budget, while failing to consider the full implications of that decision.

That is why today, I want to ask this Government to reverse its decision to cancel the call for tenders by going back to the study process as soon as possible.

* * *

[*English*]

GREAT LAKES FISHERY

CONTROL OF LAMPREY

Mr. Girve Fretz (Erie): Mr. Speaker, despite the efforts of the Great Lakes Fishery Commission which was established in 1955 to restore the Great Lakes fishery, it appears that the sea lamprey will continue to devastate our commercial and sporting fishing industry. By the year 2000 the sea lamprey population is expected to double. Without the funding to control this intruder, trout and salmon numbers will be cut in half. Sport fishing expenditures will decline by $552 million a year, commercial fishing revenues will decline by $135 million a year and regionally there will be losses of $1.4 billion.

It is essential that there be adequate assistance to control this menace now before the grim scenario described becomes a reality.

* * *

NATIONAL DEFENCE

TROOP REDUCTIONS—BASE CLOSURES

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, Canada spends $1 billion a year on our troops in Europe. That is $1 billion that could be spent more effectively in the judgment of the NDP and, indeed, at one time in the judgment of former Defence Minister Erik Nielsen who unsuccessfully tried to bring the troops home in 1985.

Instead of working toward saving money by making Canadian troop reductions in Europe in the near future, preferably as part of a negotiated reduction in conventional forces by NATO and the Warsaw Pact, the Government has chosen to sabotage the economies of many Canadian communities like Portage la Prairie, Manitoba, which stands to be devastated by the elimination of its base.

The Government had an opportunity to save money, promote peace and disarmament in Europe and strengthen our forces at home. Instead, it chose to wreck Canadian communities, weaken our forces at home and ignore the possibilities for creative and cost-saving changes in Europe.

Finally, Mr. Speaker, the PPCLI belongs in Winnipeg at Kapyong Barracks and should not be transferred to Edmonton.

* * *

THE BUDGET

CBC CUT-BACK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is more Tory double talk. Otherwise, how do you explain the strange twist of logic of the Tory Throne Speech that talks to the fostering of Canada's cultural and national uniqueness while the Budget savages its main vehicle, the CBC, with a massive incremental of $140 million cut.

The Tories are set on brick by brick dismantling of the CBC. Their commitment began to crumble under the former Minister of Communications' $85 million cut in 1984, followed in 1986 by another $10 million loss. As well, from 1984 to 1989, Conservatives denied enough funds to keep pace with inflation, causing another 15 per cent revenue loss; another $140 million. In one decade this Government will have stripped our Canadian public radio and television of $280 million. This is an outrage.

At the critical juncture in the political evolution of Canada, we need strengthened French, English, northern and international Canadian services providing an independent Canadian perspective. These Draconian cuts are a disservice to all Canadians. It is time for the CBC's board of directors to stand up and call this Government to account, for it is obvious they cannot count on this Minister. I suggest that the arts community does the same thing.

* * *

[*Translation*]

SPACE AGENCY

LOCATION OF AGENCY

Mr. Guy St-Julien (Abitibi): Mr. Speaker, following today's announcement by the Minister of Transport (Mr. G. Bouchard) and Mr. Larkin Kerwin, president of the Canadian Space Agency, the new Canadian Space Agency will be located in Québec, in the greater metropolitan area of Montreal, near the Saint-Hubert airport.

The Minister of Transport told the media yesterday: "We should stop fighting about aspects that are totally removed from the fundamentals of the problem and concentrate on getting as much as we can for Québec—This is a useless debate that diminishes the impact of our comments as Québecers because it makes us look very parochial, at a time when we should be concentrating on what is good for the entire province".

Mr. Speaker, whether they live in Longueuil, Laval, Saint-Hubert or Saint-Laurent, Québecers have enough common sense to realize that they are still in the metropolitan area of Montreal.

* * *

[*English*]

ESTONIA

CANADIAN SUPPORT FOR POLITICAL AND ECONOMIC REFORM

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on March 26 of this year, the people of Estonia enjoyed their first free elections in over 50 years of Soviet rule.

These free elections are at the very heart of a long struggle toward political and economic autonomy leading eventually to the possible restoration of full independence and sovereignty.

We are pleased to have with us today members of the Popular Front, a movement that has recently been acknowledged by the Kremlin, and which has been at the forefront of the radical reforms taking place in Estonia.

The time has come for Canada to promote trade and economic ties with Central and Eastern Europe. As these countries move closer to freedom and independence, they will need our support and commitment to achieve political and economic success.

Canada should adopt a resolution similar to that passed in the United States Congress in February of this year that called on the countries involved to revoke the seizure and occupation of the Baltic States by the Soviet Union as a result of the Molotov-Ribbentrop Pact.

* * *

NATIONAL REVENUE

REQUEST TO INVESTIGATE UNITED PARCEL SERVICE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, United Parcel Service, the largest parcel delivery service in North America, has been licensed in British Columbia to act as a customs broker.

On or about April 7, acting on reliable information regarding questionable conduct of this company, a regional collector for Revenue Canada refused to allow its licence to be renewed and asked UPS to show cause as to why it should not be revoked.

At the same time, Mr. Speaker, acting on concerns identified by businesses in my constituency, my office documented considerable evidence of this company's pattern of diverting goods from interior customs entry points to Vancouver where its own customs brokerage is located.

Not only does this practice contravene explicit instructions of the receiver, but it also reduces the volume of goods required to achieve economy of scale necessary for commercial operators to service interior routes and denies customs brokers in Osoyoos business which is rightfully theirs.

The behaviour of UPS in British Columbia has been disruptive to the normal flow of goods across the border and has without justification caused interminable delays to B.C. customers awaiting delivery of goods.

I call upon the Minister of National Revenue (Mr. Jelinek) to hold a full investigation into the activities of this U.S.-based company before any renewal of licence is granted.

S.O. 31

TELEPHONE CHARGES

N.B.TEL FEE CANCELLATION

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I recently brought to the attention of N.B. Tel a fee charged for the listing of 1-800 numbers in my province. This is a nuisance fee that hurts all businesses, particularly small businesses.

Yesterday I received a reply from the president of N.B. Tel on this matter agreeing with me that it is a nuisance fee and should be removed. N.B.Tel will be taking this matter before the New Brunswick Public Utilities Commission in the hopes that the fee will be dropped.

I commend N.B. Tel for this very progressive move and I also request that the Public Utilities Commission accept this proposal put forward by N.B.Tel and urge that all public utilities across the nation follow N.B.Tel's lead in this regard.

* * *

• (1410)

ENVIRONMENT

INTERNATIONAL AWARD—PRIME MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, for the second time in as many months we have seen the embarrassing spectacle of a Canadian politician going to the United States to pick up an award which is neither deserved nor should be accepted.

First, we saw the former Minister of Communications pick up an Oscar. Now we have the Prime Minister (Mr. Mulroney) accepting an environmental award from a group that does not even believe that acid rain is a problem which needs cleaning up.

To give the Prime Minister the environmental award is a little bit like giving the Captain of the *Exxon Valdez* a safe-driving award. It has about as much impact, and it is just about as relevant.

Let us look at the facts. I would like to call this to the attention of the Minister of the Environment (Mr. Bouchard). During the life of this Government a half a billion dollars in actual spending has been cut from environmental programs.

[*Translation*]

If the Minister of the Environment (Mr. L. Bouchard) really has the ear of the Prime Minister (Mr. Mulroney), why was his budget cut by half a billion dollars? If the environment is really this Government's priority, why did the Prime Minister cut the Minister's budget by half a billion dollars? Is that fair?

[*English*]

He should be ashamed to accept the award.

* * *

THE ENVIRONMENT

INTERNATIONAL AWARD—PRIME MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, the Prime Minister (Mr. Mulroney) is fleeing the fall-out of his Budget, a Budget that is a complete reversal of Conservative campaign promises.

Where is he off to? He is off to accept an American award in Boston for his contribution to international understanding. Perhaps we should offer such an award to attract the PM to western Canada, to look into matters such as forestry, oil spills, and alienation.

Where next goes the master of double-talk but to Washington to receive a European award for his dedication to environmental management everywhere outside Canada? Perhaps we should offer one here in Canada in the hope that he will realize that Canada has only 1.3 per cent of our lands protected in national parks.

The award-giver, Prime Minister Brundtland, recommended that at least 12 per cent of lands in every nation and region be protected in conservation zones. Perhaps the PM will return home to announce the doubling of national parks and conservation areas. After all, only one-half of our national bioregions have any protection at all.

Perhaps the PM will find enough courage to tell President Bush to keep the oil rigs and oil spills out of the Arctic Wildlife Refuge, home to our 180,000 caribou.

If he does not do these things for Canadians while accepting awards abroad, then he is revealed as a fraud.

* * *

THE ENVIRONMENT

NUCLEAR DISARMAMENT

Mr. Ross Stevenson (Durham): Mr. Speaker, the whole world is watching with utmost hope as the two superpowers and other countries with nuclear weapons attempt to move from a balance of power based on deterrence to a new global stability based on trust and other confidence-building measures.

The Government and the people of Canada support nuclear disarmament. Now Canada is playing a leading role in the study of seismic detection of underground tests of nuclear weapons. Dr. Peter Basham, an Energy, Mines and Resources seismology expert, is chairing a group of international scientists from 25 different nations around the world working on seismic verification and developing a world-wide system of rapid data exchange to support a test ban.

This is just one of the significant contributions that Canada is making in increasing the hope and confidence of achieving a workable test ban and nuclear disarmament.

* * *

THE ENVIRONMENT

ROUGE RIVER VALLEY – HERITAGE PARK

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, the House has heard a number of exhortations from Hon. Members from the great City of Scarborough in support of the creation of an environmental heritage park in the Rouge River Valley and table lands.

The proposed parklands comprise about 5,000 acres inside Scarborough of which 80 per cent are government-owned, and an additional 4,000 of protectable land surrounding the river's headwaters to the north in York region. Through fate or miracle, these lands still contain much of their original endowment of vegetation, wildlife, clean water and fish.

The Rouge lands are not just a piece of real estate. They are still an ecosystem recognized as a critical and unprotected natural area by the World Wildlife Federation, the Nature Conservancy of Canada, and the Ontario Ministry of Natural Resources.

The present and past Ministers of the Environment have committed themselves publicly to the initiative to develop these proposed parklands. I want to record my impression of our pitiable record as a society of coexisting within the context of our current environment. What will it take to wrestle the ethics of industrial development and growth to the ground in favour of environmentally sustainable development?

If we cannot save this precious ecosystem from the bulldozer when it is so obviously saveable, just maybe we will show ourselves incapable of saving any ecosystem, including that of all mankind.

* * *

NATIONAL REVENUE

ZERO TOLERANCE DRUG POLICY

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it has been reported recently that the Minister of National Revenue (Mr. Jelinek) is considering the adoption of a zero tolerance drug policy as part of the Government's war on drugs. Such a policy would enable Canada Customs to seize cars, planes and boats in which illegal drugs are transported.

I would like to take this opportunity to express my support for the adoption of this policy. Yes, it is a strong measure. But strong measures are necessary when we are dealing with a serious problem.

The fact is that drug use in Canada has reached epidemic stages which require the adoption of stricter and more diligent drug enforcement policies. It is imperative that we take steps now which will force smugglers to think twice about bringing drugs into our country.

This is why I now implore all Members of the House, regardless of Party affiliation, to support the Minister in the adoption of the zero tolerance policy. Such a policy will make Canada's future drug-free.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

SOCIAL PROGRAMS

Mr. Douglas Young (Gloucester): Mr. Speaker, since the Budget was dropped on us, people from all across the country in all walks of life are asking a question. That question is this. What happened between November, 1988 and May, 1989?

The Minister of Finance and the Prime Minister are no longer singing the same tune that they sang last fall. Thus—

Mr. Charest: The time for statements is over.

Mr. Young (Gloucester): —my question for Captain Steroid is this, although it is addressed to the Minister of Finance.

Yesterday, in reply to a question I asked the Minister, if he implied that the provinces should take up the slack in providing help to the unemployed, the poor, senior citizens and the sick because the provinces had managed their affairs better than the federal Government had managed its own affairs.

Based on the Minister's experience in the last four years, what does he believe the provinces should do, raise their taxes, their deficits, or cut programs?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member does not watch what he calls me, I may go into a telephone booth and take off my shirt.

Some Hon. Members: Oh, oh!

Mr. Peterson: Michael, you have stripped every other Canadian, you should do it to yourself.

Ms. Clancy: Anything but that!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, in response to the question I point out to the Hon. Member that total transfers to the provinces are some $34 billion. Cash transfers represent 23 per cent of our spending.

It is very important when we look at the over-all problem of the government debt—and I am sure the Hon. Member agrees that we do have a problem with the Government debt—that we look at this as an element of the measures that we take in addressing that problem. That is why we have included some elements of those government transfers.

He also understands that we have not changed equalization. The equalization program is exactly the same as it was before. That is important, particularly to provinces like his own.

Mr. Young (Gloucester): Mr. Speaker, I certainly would not want to leave the impression that I addressed the Minister of Finance as Captain Steroid. I reserve that for the Minister of Youth who is very familiar with the subject.

Mr. Charest: And he is the MP for haemorrhoids.

Mr. Young (Gloucester): I want to tell the Minister he should start to wonder about putting Preparation H right around his lips.

• (1420)

[*Translation*]

UNEMPLOYMENT INSURANCE

PROGRAM FINANCING—GOVERNMENT'S POSITION

Mr. Douglas Young (Gloucester): Mr. Speaker, before the Budget was tabled in this House, Canadian workers and the unemployed were advised that they had to shoulder the burden of training and retraining. We are talking here about the most disadvantaged segment of our society. My question to the Deputy Prime Minister is the following: Now that the Canadian Government has completely withdrawn from the unemployment insurance program, will it continue to manage it only until it is privatized or until the provinces, as Québec indicated yesterday for example, take up the slack? Is it the strategy of the Canadian Government to withdraw entirely from everything that has to do with the unemployment insurance program throughout the country?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the unemployment insurance reform announced two weeks ago prepares us for the challenge of the labour market in the year 2000. Having said that, I can assure you that this Government will continue to manage the unemployment insurance fund and to help out should financial difficulties arise. That is what we have done since 1980 and our Government knows how to take its responsibilities.

[*English*]

REDUCTION OF SERVICES

Mr. Douglas Young (Gloucester): Mr. Speaker, the Budget has indicated to Canadians that we are reducing the commitment of the national Government to eliminating regional disparity. No matter how it is sliced, the people who have analysed the Budget have discovered that we are going to have to consider cutting hospital beds and reducing services. The provinces are going to be asked to become more and more the players. They have managed their affairs so well, according to the Minister of Finance, that now they have to pick up the slack.

My question, Mr. Speaker, is this: Is the only role of the national Government, as a result of its Conservative agenda, to make sure that there are two kinds of Canadians, those who live in the areas that have low unemployment and very, very strong provincial Governments, and that other areas of the province that have high unemployment and are faced with high interest rates going to have to scramble and survive on their own? In other words, is the agenda of this Government

to continue to exacerbate regional disparity while at the same time the only concrete result of their agenda is to have continuing high interest rates in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened very carefully to the comments of the Hon. Member, and I want to point out to him that we took very seriously the need to try to find an appropriate regional balance. Let me quote from the *Cape Breton Post* of last Saturday wherein it said:

> Wilson might have chosen many other combinations of taxes and cuts—. Most of the alternative mixtures would likely have turned out worse for the region.

That is not Mike Wilson. That is the *Cape Breton Post*. That is what we have tried to achieve and I think that comment shows we are pretty close to achieving that. But the Hon. Member has criticized four or five different ways that we have taken to address this debt. Does he not agree that we have a debt problem? Does he have any alternatives to addressing that debt problem, or is he going to simply criticize without coming up with any positive alternatives?

* * *

THE BUDGET

REDUCTIONS IN SOCIAL SERVICES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the Minister of Finance. Medicare is Canada's most important social program. Hospitals and the care given to our sick by our health professionals is fundamentally important to all Canadians. The Minister's recent Budget, coupled with the unilateral cut-backs in 1986 in EPF, has resulted in Prince Edward Island receiving $7 million less, Newfoundland $34 million less, New Brunswick $43 million less, and Nova Scotia $53 million less in the fiscal year 1989-1990.

Will the Minister of Finance explain the fairness of choosing the sick, the elderly, the children and, yes, the poorer provinces of this country to shoulder the burden of his deficit reduction plan?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me state very clearly and categorically that there will be a substantial increase in the transfers from the federal Government on these programs. It will amount to some $25 billion over the next five years relative to the amounts over the last five years.

The Hon. Member understands, I am sure, that 20 years ago 12 cents of every tax dollar was spent on interest costs. That increased to 25 cents for every tax dollar four or five years ago. It has now jumped to 35 cents. The whole purpose of this Budget is to reverse that trend so that we will be able to afford these programs which we understand and agree are very important to Canadians.

REDUCTIONS IN EQUALIZATION PAYMENTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Hon. Minister of Finance quoted from the *Cape Breton Post*. He should have gone two or three pages further where it said, "The worst Minister of Finance this country has ever had is Michael Wilson".

This Minister talks about increases in EPF while his Budget papers say the exact opposite. Provincial Ministers of Finance say that they are going to get substantial reductions in EPF. Will the Minister give an undertaking today to those provincial Governments that I have mentioned that there will be no closing of hospital beds, no reduction of staff, no reduction of nurses who care for the sick, or the orderlies who care for the infirm, no reductions whatsoever as a result of this Budget as it affects EPF? Or will the Minister do as he did with the Budget leak: Accept no responsibility, show no leadership and when in heat delegate to the poorer provinces?

Hon. Michael Wilson (Minister of Finance): I challenge the Hon. Member to show me where in those Budget papers there is a cut, where in those Budget papers, to use his words, "that what I just said is the exact opposite". He knows he is wrong on that. The rate of growth in these programs is slowing, but $25 billion over the next five years—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The Hon. Members are laughing at $25 billion. That is a significant amount of new funding for the provinces—

Mr. Dingwall: That is duplicity from the Minister of Finance.

Mr. Wilson (Etobicoke Centre): He tells me that I am talking from both sides of my mouth. The Hon. Members on the other side say control the debt. Under your Government, the debt went up.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): They know the only way you can control the debt is to get the annual deficit down, and yet we have every Member on the other side fighting me every time we try to get the annual deficit down. He is talking out of both sides of his mouth.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

SOCIAL POLICY CHANGES

Hon. Edward Broadbent (Oshawa): My question is to the Minister of Finance. All Canadians will have noted by now that this Government has begun to completely undermine Canada's social policy tradition. They will not put up with it, I say to the Minister of Finance right now.

Will the Minister confirm in the House that the head of a family today at age 45 with an income of only $40,000 after 20 years, by the time he or she begins to collect the pension, will have this Government's claw-back provision applied to that pension, will have it hacked away by this Government? If the Minister will admit that this is going to happen to an average head of family today, will he try to justify it to the people of Canada?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member knows full well the objective of this program, and if I can point out to him—

Mr. Broadbent: We do. That is what is wrong with it.

Mr. Wilson (Etobicoke Centre): I point out to him that the universal character of these programs is absolutely maintained. We are leaving in place the safety net that has been established with these programs. But in order to achieve the over-all objective of this Budget, which is to maintain social programs, we must get a hold on this debt and get it under control. The Hon. Member has said he agrees the deficit is too high, he agrees that we have to get the debt under control. What are his ways of getting the deficit under control?

Mr. Broadbent: Mr. Speaker, I will be glad to table some day in the House a five-page letter that we sent to the Minister showing him where to get money without taking it from the poor.

• (1430)

TAXATION OF SOCIAL BENEFITS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister just said that the universality principle has been maintained. Only a Conservative would claim that when you give a dollar away with one hand and take it back with the other, you are maintaining the universality principle.

Since the justification for hacking away at pensioners above the $50,000 level is that these pensioners do not need Government pensions, will the Minister answer seriously, if that applies toward taxing back pension benefits today, according to Conservative philosophy, why will it not apply to taxing back medicare benefits tomorrow?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me read from the Budget itself because I do not think the Hon. Member has:

> The essential purpose of the social safety net is to assist those most in need, not to subsidize those with high incomes.

As I said earlier, we have left in place the universal character of these payments and, to repeat myself, we are doing this so that we can get the size of the interest payments down—

Mr. Broadbent: Swallow your propaganda.

Mr. Wilson (Etobicoke Centre): —so that we can maintain the social programs, programs that both he and we are committed to, like medicare to which he just referred. That is the objective of this. If the Hon. Member does not understand—

Mr. Broadbent: I understand what you are up to. I understand very well.

Mr. Wilson Etobicoke Centre): —the impact of debt and the impact of interest costs, probably it is a good time for him to leave the House of Commons so that he can go back to school and learn more about it.

UNIVERSALITY OF MEDICARE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister feels more comfortable attacking pensioners than medicare, for some strange reason. I would like him to deal with the question. The Prime Minister, in the House yesterday and again on Friday, and the Minister himself in different circumstances justified whittling away at pensions because, he said, upper-income Canadians do not need them. If that reasoning holds today for those Conservatives, it does not hold for us, how are Canadians protected from the same Conservatives applying that principle to medicare tomorrow? I want to hear the answer to that.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the principle does not apply to medicare. We never said it does apply to medicare. It is only that Member who is saying that it does.

Mr. Broadbent: Pensions were sacrosanct once too.

An Hon. Member: Here today, gone tomorrow.

Mr. Wilson (Etobicoke Centre): Let me give a couple of figures. This year we are spending as a Government $2.2 billion more on social programs, $865 million more on Old Age Security.

Let me point out to the Hon. Member that it is 4.3 per cent of recipients of Old Age Security who are affected by this—

Mr. Riis: One hundred thirty thousand in other words.

Mr. Wilson (Etobicoke Centre): —and less than 2 per cent have the whole amount recovered. We are maintaining the universal character of the program but we are also doing it in a sensible way, so that we can maintain these programs on an ongoing basis.

* * *

[*Translation*]

HEALTH

LACK OF FUNDS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, this is a very bad Budget. But the most shameful aspect of the Budget has to do with health care, and I quote from page 13 of the *Budget Papers*:

> The change in the growth of Established Programs Financing transfers will result in federal expenditure reduction of $200 million in 1990-91 with increasing savings in future years.

—on the back of sick Canadians. It's revolting!

Last February 7 all the Health Ministers got together and stated it was urgent to restore adequate funding under this program because our health care system was falling apart. How can the Minister of National Health and Welfare explain to the Canadian people that in order to reduce his deficit he must tax the sick and provide fewer health services than are now available because he has no money left?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the Hon. Member has said is wrong. It is quite wrong. We are increasing the amount of payments to the provinces under the Established Programs Financing by $25 billion. It is very clear, right there in the documents, and he knows that it is there in the documents. It is a $25 billion increase. That is a very substantial amount. We are providing this to allow the provinces to continue to provide the medicare services which they have been providing.

Mr. Tobin: Same level of service?

Mr. Wilson (Etobicoke Centre): This is the same services that the provinces are requiring and have been providing for many years now. I draw his attention again to the fact that there is an increase in debt service costs this year of $6 billion. Surely the Hon. Member can see that if we do not get this under control this will be dangerous to the whole nature of government in this country. What we are trying to do with this Budget is reverse that process, get that amount of money down so that we can continue to provide the services and programs that Canadians value.

[*Translation*]

INQUIRY AS TO WHY CERTAIN TAXES NOT INCREASED

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the Minister of Finance should stop hanging around Bay Street and go see what's happening in hospital corridors, where patients have to wait in line for care.

Go to Québec where patients have to wait a whole year before having a heart operation. Personally I had to fight to get the cancer treatment without which I would not have survived.

The Minister of Finance should leave Bay Street and go—

Can the Minister explain why he chose not to impose heavier taxes on individuals—on corporations and banks instead of finding $200 million to provide health care for sick Canadians?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me refer the Hon. Member to a comment that his Leader has made:

> "The mounting federal debt is obviously a burden that this Government and Parliament will have to deal with", John Turner said yesterday.

That is February 23, 1984.

If Hon. Members opposite agree with their Leader, and I know sometimes they do not, and they also acknowledge the fact that in the election last year they had $7 billion on an annual basis of new spending promises—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): It was $7 billion a year. If Hon. Members opposite understand the significance of that, they would come to the floor of the House of Commons and offer to talk about alternatives, about different ways of doing this, and have a debate on how we can get control of this government debt, rather than just playing the opposition Party and criticize, criticize, criticize. Let us hear the alternatives.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

FARM MARKETING BOARDS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. During the election the Government promised to keep farm marketing boards. Two weeks ago, on April 14, the Minister announced that he was destroying the power of the Canadian Dairy Commission to raise the market price of milk regardless of how the input costs were affected during the next 20 months. Is he aware that his announcement on April 14 resulted in the chartered banks announcing, only three days later, that they were cutting the value of farm market quotas by 50 per cent for lending purposes? Why is the Minister and the Government destroying farm marketing quotas for Canadian farmers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member is misleading the House, not deliberately but I think inadvertently, when he makes that statement because marketing boards are secure as they have been.

I might remind the Hon. Member that in August, 1988, there was to have been a roll back as a result of the production formula. The price that was paid to the producers was to have been reduced by $1.89. In light of the fact that feed grain prices were rising at that particular time, this Government took cognizance of that fact and allowed the prices to remain the same.

As a matter of fact, as well, in February there was to have been a further cut-back and this Government stood by the dairy farmers on that occasion. It is standing by the dairy farmers today and will continue to do so in the future.

DISCOUNT OF FARM MARKET QUOTAS

Mr. Maurice Foster (Algoma): Mr. Speaker, how can the Minister of Agriculture say that he is standing by farmers and not destroying farm marketing boards? I have an internal document by the Royal Bank in which they state their belief that farm marketing quotas will be destroyed at the GATT by the Government and that they will be sacrificial lambs.

This is dated April 17. They state they will be moving immediately to discount the value of farm marketing quotas for loan purposes. That is a 50 per cent reduction. Loans will not be given over a five year period. Interest rates to farmers will have to be raised because of this decision. Why is the Minister allowing this to happen? Why is he destroying farmers' quotas? In many cases, this will take away 25 per cent of a farmers' asset value. Why is the Minister doing this in light of the promise made during the election campaign?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, Members of the Opposition continue to use the same old fear tactics. During the election campaign and prior to the election campaign, they said the Free Trade Agreement would destroy supply management. They said that free trade would destroy import quotas. They said we should stick to the GATT, stick to the GATT. Now they are suggesting that the GATT will destroy supply-managed systems. Why do they not get their act together? Perhaps they should have a meeting with the Royal Bank of Canada and set the facts out straight.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF POPULAR FRONT OF ESTONIA AND CONGRESS OF THE PEOPLES' DEPUTIES OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Mr. Speaker: I wish to draw to Hon. Members' attention the presence in the gallery of Mr. Edgar Savisaar and Mr. Hardo Aasmae, both of whom are members of the Popular Front of Estonia and members of the Congress of the Peoples' Deputies of the Union of Soviet Socialist Republics.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

EXCESS PROFIT TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. After last Wednesday's Budget leak, on Thursday the banking index at the Toronto Stock Exchange jumped by some 2.8 per cent, and as of one o'clock today, the stocks of the chartered banks were still climbing. One reason for this is that the banks had anticipated and avoided two major new tax hikes in the Budget of last week.

Can the Minister give us one single reason why he did not bring about an anticipated excess profit tax on the banks whose 1988 after-tax profits were $3.3 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me say that the effects of tax reform last year will have quite a profound impact on the taxes paid by the chartered banks. Second, the large corporations tax applies to the chartered banks as it does to any other large corporation.

Mr. Nystrom: Mr. Speaker, the excess profits tax would have brought in a quarter of a billion dollars this year alone. No wonder those Gucci shoes were clicking on Bay Street last Thursday.

NATIONAL SALES TAX—EXEMPTION OF BANKS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the day after the Budget leak, the shares of the Royal Bank went up by $1.37 and the shares of the Toronto Dominion Bank by $1.35. In addition to not having an excess profits tax, the Minister decided to exempt the banks from paying a national sales tax on their margins. In light of the fact that their after-tax profits last year were $3.3 billion, why did the Minister exempt the banks' profit margins from the national sales tax when he put that same national sales tax on music lessons for kids? why exempt the banks but not the kids?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first, the banks' purchases are fully taxable. They will be charging tax on sales of services but we are not applying the tax on their margins. It seems to me that about two weeks ago, Members of the New Democratic Party were up on their hind legs screaming away, saying that we would put a tax on mortgage interest. That is exactly what the Hon. Member is now saying we should do. He is flip-flopping and sucking and blowing. He cannot have it both ways.

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TRANSPORT

RAILWAY BRANCH LINE REHABILITATION

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Minister of Transport. The recent budget proposes to terminate the grain dependent rail branch line rehabilitation program one year early. In view of this, I would ask the Minister what is the future of the branch line between Weyburn and Willow Bunch, the Bengough subdivision in southern Saskatchewan.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the lines to which my Hon. colleague referred have been considered within the deficit reduction operation. The branch line rehabilitation program has been considered by the Senior Grain Transportation Committee as being the least effective way of helping transportation of grain in Western Canada. Because we had to consider cuts in our program, we have considered this one. We must ensure, however, that the branch lines will not be abandoned before the year 2000.

COMMITMENT OF MINISTER

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, how can the Minister reconcile the statement he just made to the House with his commitment in writing to the people of Southern Saskatchewan that the Bengough subdivision would be rehabilitated this year?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I repeat what I said before. That program has been considered within the deficit reduction operation, and the Senior Grain Committee said that it is the least efficient way to help transportation. That is why it has been cancelled. I cannot say any more than the program has been cancelled but the branch line will remain until the year 2000.

Oral Questions

NATIONAL DEFENCE

MANITOBA AEROSPACE INDUSTRY – GOVERNMENT COMMITMENT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Deputy Prime Minister. Two years ago, Manitoba lost the CF-18 contract and we will never forget it. As a consolation prize, Bristol Aerospace received the much smaller CF-5 contract. The senior Minister for Manitoba said at the time that the Government has confirmed its responsibility to sustain the aerospace industry in Winnipeg. Now, as a result of last week's Budget, we have lost the CF-5 contract as well. What has happened to the Government's commitment to the aerospace industry in Manitoba? What has happened to its commitment to the people of Manitoba?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, it seems strange that the Hon. Member would state that Manitoba or Bristol Aerospace has lost the CF-5 contracts. He would also put forward something regarding the CF-18 contracts. I can inform the Hon. Member that in the heads-up program of the CF-5, there will be a slight reduction. I can also inform the Hon. Member that there has been a reduction in the CF-18 program.

Mr. Harvard: Mr. Speaker, the Minister can try to fool his Tory friends but he will not fool the people of Manitoba.

EFFECT OF BUDGET ON MANITOBA

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my supplementary question is also for the Deputy Prime Minister. On the awarding of the CF-5 contract, the Minister of Energy said, "We felt a need to reaffirm our commitment to Western Canada to let you know that we have been and are listening to you and that we do not take you for granted". Was the Minister listening when 1,500 jobs were wiped out of Manitoba as a result of last week's Budget? Was he listening when the Budget revealed a string of broken promises? Is that the kind of commitment to Western Canada the Minister was talking about?

• (1450)

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I do not understand the point of the Hon. Member's questions. I am sure the Hon. Member recognizes the need, as his leader has recognized, for all Canadians to be responsible in bringing the debt under control.

I say to the Hon. Member, there has been a reduction in expenditures in the Department of National Defence. There have been reductions in expenditures across Canada. The Hon. Member is condemning every reduction put forward. I ask the Liberal Party: What is your alternative to the debt that is taking away the future of your children?

Some Hon. Members: Hear, hear!

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REGIONAL ECONOMIC EXPANSION

AID TO ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns another broken promise by this Government. On Friday morning past the Prime Minister said, and I quote from *Hansard* at page 1069:

> – that regional economic expansion programs will be up by 35 per cent over the next five years.

However, when the estimates for the Atlantic Canada Opportunities Agency were tabled in this House less than one hour later, the document stated, and I quote from page 7 of those estimates: "In the short term, 1989 to 1992, there will be significantly less funds for Atlantic regional development than had been planned."

Why didn't the Prime Minister come clean in this House on Friday past and admit that Atlantic Canada would be savaged by his Government and that for the next three years this Government intends to pull the rug out from under Atlantic Canada?

Some Hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, the Hon. Member must surely know, being an Atlantic Canadian, that this is a record year for regional development assistance. Almost half a billion dollars is flowing into Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. MacKay: The Hon. Member will also know, if he reads the press—

Mr. Nault: Didn't we just have an election?

Mr. MacKay: I guess they do not want to listen.

I want to say to my colleague that for the next five years, regional development aid through the Atlantic Canada Opportunities Agency will be at a considerably higher level than any other period in history.

RENEWAL OF ERDA AGREEMENTS

Mr. Ron MacDonald (Dartmouth): My supplementary question is for the Minister of Public Works. Last year was an election year and one that the Minister should take note of because 20 out of 32 seats in Atlantic Canada could not be bought by ACOA.

Some Hon. Members: Hear, hear!

Mr. MacDonald (Dartmouth): ACOA was allocated $83.8 million for co-operation agreements with the Atlantic provinces. This year that figure has been slashed to $39.6 million, a cut-back of over 50 per cent.

Can the Minister tell the House, in a year when $400 million in ERDA agreements have been allowed to expire, how many agreements he really intends to renew with those provinces, at what cost-sharing formula and could he also indicate what moneys have been allocated in future years for these agreements? Or will Atlantic Canada continue to be punished for exercising its democratic right on November 21?

Some Hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, it was never the intention of ACOA or this Government to buy any seats in Atlantic Canada.

Some Hon. Members: Oh, oh!

Mr. MacKay: A lot of seats in Atlantic Canada were helped by ACOA, regardless of political affiliations. There will be over $425 million profiled each year on average to help Atlantic Canada through Atlantic Canada Opportunities Agency and ERDAs. As for renewing ERDAs, it will be a matter for the provinces and for line Ministers to decide what their priorities are.

* * *

NATO

MDERNIZATION OF NUCLEAR WEAPONS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. It has to do with the debate going on within NATO about the modernization of nuclear weapons. I have asked the Minister about this before.

The Minister will know that there is growing support for the German position that there should be negotiations about battlefield tactical nuclear weapons instead of the modernization supported by the United States and the United Kingdom. The debate to date has been characterized as one between the Germans, the U.K. and the U.S.A. without there being a clear implication that Canada is even actively involved in the debate.

I want to ask the Minister of External Affairs whether he will now consider supporting the German position that there should be negotiations with respect to this important decision? Surely it is the will of the Canadian people that any opportunity to negotiate the elimination of nuclear weapons or the down-sizing of nuclear weapons should be taken. Why won't the Canadian Government support that view?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member suggested that the question of negotiation would proceed instead of modernization. I think the Hon. Member understands that that misstates the position of the German Government and indeed of most of the members of the North Atlantic Treaty Organization. There is an agreement supported by Canada, the Federal Republic of Germany and all the government heads of NATO that we should proceed with modernization. The question before NATO now is one as to the timing and balance between modernization and negotiation.

The Government has been involved in discussions and correspondence with other of our allies to work out a way that will allow the alliance to find an agreement enabling us to proceed with modernization and negotiations.

MINISTER'S POSITION RESPECTING NEGOTIATIONS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my worst suspicions are confirmed. You would think from listening to the Minister that he does not know there is the debate raging in NATO about the issue. The issue is the timing. The issue is whether or not NATO should now modernize or enter into negotiations at this time. That is the position we are asking the Canadian Government to support. Perhaps the Minister might do some creative thinking and ask himself how the question of modernization of tactical nuclear weapons could be linked to conventional force reductions, where the alleged superiority of the Soviet Union exists and which is one of the reasons for having the flexible response doctrine.

When will we have a statement from the Minister that outlines the Canadian position? When will we have active Canadian engagement in this debate and support for negotiation on this matter?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member seems to believe that active involvement by Canada in these international questions involves making unilateral statements here in the House of Commons.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): What is involved and required is for Canada to continue to play an active role in the leadership of NATO. This will allow NATO, particularly in the context of the fortieth anniversary celebrations and Summit later this month, to proceed along a path that will lead it toward negotiation, and also when the time comes to move forward on modernization, will give effect to the agreement by all the heads of the NATO countries a year ago to proceed with modernization. That is the position of Canada. The role of Canada is to ensure we will make a constructive contribution to international discussions that will lead to greater stability and security.

* * *

THE BUDGET

CUTS IN ODA FINANCING

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Minister for External Relations. This Government consistently presents itself as a defender of our global commitment to the poorest, a country with great concern and commitment to the world's hungry and the dispossessed including millions of Third World children. Canada's commitment to official development assistance traditionally accounts for about 3 per cent of total Canadian Government expenditure, but the Budget slashes to ODA account for 29 per cent of all Budget expenditure cuts. What credibility does Canada possess in the light of such doubletalk about our caring concern?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I suggest that if the Hon. Member wants to be fair, or should I say responsible, she must recognize that at this point the Government of Canada cannot go on with a kind of debt load that would preclude future aid programs or other commitments to Canadians.

This Government's actions are now predicated upon the ability to increase eventually all services, both national and international.

Now I would like to tell the Hon. Member that over these last four years we have increased aid funding by $800 million and even after this year's 5,6 per cent reduction, we will go on over the coming years, over the next four years increasing aid funding by $800 million.

This is a commitment to aiding developing nations this Government has always honoured.

[*English*]

COMMITMENTS TO THIRD WORLD COUNTRIES

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the same Minister. Under this Government, Canada has consistently reneged on its Third World assistance commitments.

• (1500)

Last Friday I received a letter from the Minister for External Relations with an enclosed overview of CIDA which reiterated the Government's previous commitments. The Budget denies this.

How does the Minister account for this absurdity of contradiction? Will the Minister agree that she failed to defend ODA–GNP ratios as committed by her and that she has badly let down Canada and Third World countries?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I would like to repeat to the Hon. Member what I said this morning in committee which is that this Government has been adhering to the gross national product share formula. As soon as next year we will increase aid funding, which will grow by $800 million over the coming years. And this, Mr. Speaker, is a firm commitment. Also, we are maintaining our commitment to our major priorities under the strategy put forward by the Canadian Government last year.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise to exercise the right of every Member of Parliament when a borrowing Bill is before the House, to deal with matters of his choice relating to the financial situation of the country. Of course, nothing relates more closely to the necessity of this Government to borrow than the Budget improperly before the House.

This is a Budget of broken promises, a Budget of deceit, and a Budget of economic mismanagement. It is a document which should not now be before this House of Commons.

Canadians have every right to be outraged. Canadians have every right to demand that this Minister of Finance (Mr. Wilson) resign. Look at how this Budget was presented: a day early at a hastily called press conference due to a leak. This was not a leak. This was a flood. The entire Budget was revealed prematurely at the expense of the Canadian people and against the privileges of this House.

Did the Minister of Finance resign? Did he offer to resign? No. Did the Prime Minister (Mr. Mulroney) demand his resignation? No. Instead, in true presidential style, they ignored the responsibility to this House of Commons to uphold and defend the principle of budget secrecy.

What happened was absolutely unprecedented, not only in the history of the country but in the history of parliamentary democracy. The fundamental principle of parliamentary democracy is that the House of Commons, the elected representatives of the people, exercise primacy over all taxation and over all spending. Members of the House of Commons, therefore, must hear the Budget first. Secrecy must be maintained, not only to allow the Members of the House on behalf of the Canadian people to pass judgment on the Budget but to prevent anybody in this country, any Canadian, from obtaining an inside advantage. That principle serves to protect the public from those with advance information who could accumulate private gain at the expense of the rest of us.

When he defended his actions in the House of Commons last week, the Minister of Finance acknowledged that principle. This is what he had to say, as reported at page 1005 of *Hansard*:

> There are two essential considerations underlying budget secrecy: The need to ensure that a person does not profit or otherwise gain advantage from advance knowledge of the content of the Budget, and the principle that the Government's financial policy should be disclosed to the House of Commons before it is made known to others—

Those were the words of the Minister of Finance. I could not have put it more clearly, nor I doubt could you, Your Honour. Having stated the principle, he then completely absolved himself from all responsibility for adhering to it. He simply said that it was not his fault, nor was it the fault of his Department. Then whose fault was it?

The Prime Minister said that the Minister of Finance was the victim of a crime. There has been no proof of that. We will wait and see, but nobody in this House has been given any evidence of that. I doubt whether it was a crime. Somebody goofed and the Minister is responsible.

When it comes to the Budget, he is the captain of the ship. If there is a leak for whatever reason, he is responsible. If he goes aground for whatever reason, he is responsible. Just like the captain of the *Exxon Valdez*, he has to answer for it whether or not he is on the bridge.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Listen to the vocabulary used by the Prime Minister and his senior Ministers last week. The Prime Minister spoke of "the criminal—who stole the property." The Deputy Prime Minister (Mr. Mazankowski) referred to an "act of sabotage". He referred to the criminal act that occurred. All these citations are from *Hansard*. The Minister of Justice (Mr. Lewis) said, as reported at page 1013 of *Hansard*:

> —it became evident to the Government that this was much more than informed speculation. There was in fact a theft of budget material—

The Secretary of State for External Affairs (Mr. Clark) referred to the actions of a thief. The senior Ministers of the Government, led by the Prime Minister, said that it was a fact that the Budget was stolen, but RCMP spokesperson Pierre Belanger said right off the bat: "We are not assuming it is only theft."

My argument or my submission to Your Honour is that whether or not there was a criminal action, the senior Ministers had absolutely no proof for their words last week. Of course, they are now backing out. Yesterday, the Minister of Justice said that the Prime Minister was talking—and I am using the Minister's words—about "a crime in the vernacular". Now that is something new. This was not a statutory crime. This was not a common law crime. This was not a crime of the mind or of conscience. This was a crime in the vernacular. I know the Minister is a chartered accountant and a lawyer but I tell you that he ought to go back to law school and, if he does, tell us what a vernacular crime is really about.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Now of course self-righteously he went on to say "there will be no discussion on this event until the investigation is finished". There is no discussion anymore; they are going back into their foxholes.

What they really meant was that they would not comment once they got caught faking it as they clearly were faking it last week. The Prime Minister and the Government are now trying to get off the hook by suggesting that they did not call it a crime, that it was the reporter, Doug Small, who called it a crime. I have mentioned to Mr. Small personally that I would be delighted to take his case any time because there is absolutely no proof of criminal intent and no proof of a crime.

We will wait to see what comes out of this investigation. We will want to see what the RCMP report says about the incident. We will want to see what precautions were taken to protect the secrecy. We will want to see how the printing bureau was surveyed and how extensive were those precautions, because what the Minister of Finance fails to grasp is: crime or no crime it would not have happened if there had not have been negligence, negligence for which the Minister is responsible under parliamentary and constitutional traditions.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra) Mr. Speaker, I repeat, the issue is not whether or not the Minister of Finance personally released information to the news media. Nobody accuses him of that. The issue is one of trust, placed in him as the custodian of the nation's finances, placed in him by this Parliament, placed in him by Canadians because of his responsibility for the finances and accounting of our nation.

• (1510)

The Minister has missed the point. He has undermined our system, attempted to blame the Opposition and not accepted the responsibility for those for whom he is constitutionally responsible. It is for that reason we are currently talking and negotiating before your Honour about the breach of privileges of the representatives of the Canadian people. These privileges, in our submission to you, have been breached and violated. That case of privilege is not yet over. We intend to pursue it through you, Mr. Speaker, and we intend to get answers from this Government. Even more important, it is not just our privileges that have been breached and violated, but our fiduciary free privileges as representatives of the Canadian people.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Every single Canadian has the right to feel confident and be understood. Every Canadian has the right to feel confident with the assurance that the tax he or she pays is revealed, supervised, challenged, controlled and spent in a fair manner by the Minister subject to the overall control of the House of Commons. If Budget secrecy does not apply to all Canadians then the system will not work.

I have read editorial comments. Some editorials argue, as did *The Financial Post* yesterday: "Budget secrecy is a tradition that has outlived its usefulness". What that paper and what other newspapers editorially have failed to appreciate is that even though the general directions of some of the changes announced in the Budget may be known beforehand—even though I would encourage the Minister to consult widely, as I did when I held that office with the various sectors of the Canadian economy—the specific changes, the tax changes, the spending cuts, the amount of the deficit still have an impact on markets when they are announced. Prior knowledge of those specific changes can be used for personal profit, and so could the amount of the deficit in terms of movement on the world exchanges. We all know today, with the computer and instantaneous transmission of information, how quickly that information circulates not only across our own stock exchanges and money markets but instantaneously around the world.

If the Minister of Finance (Mr. Wilson) will not resign over the largest release of budgetary information in the history of this country—indeed, as I attempted to submit to your Honour last Thursday, in the history of parliamentary democracy—then there will be chaos in the system, lack of trust, lack of confidence and lack of willingness of 11 million Canadian taxpayers to assess themselves voluntarily and to file that assessment with the Department of Finance.

By not resigning the Minister of Finance is setting precedent in which a Minister of Finance will be held accountable for budget leaks only if he personally leaked the information. That is not good enough for this House. That is not good enough for the country and that is a very misleading interpretation of his responsibility.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister claims he was the victim of a criminal act. The real crime is his Budget. The real crime is that this Tory Government did not tell Canadians the truth about what it intended to do. This is therefore a Budget of broken promises.

Before and during the election the Conservative Government made $17 billion worth of promises, megaproject after megaproject across the country. We had a battle of vocabulary with the Minister. He said: "Those are not promises. Those are election commitments." The Minister of Finance said to Canadians that they were spending commitments and the cost was supposed to be zero. Eleven days before the election the Minister of Finance said: "Conservatives have made spending commitments. In those reserves we have sufficient money to handle the announcements." During the campaign the Prime Minister (Mr. Mulroney) said: "We have dealt with the deficit. You have got promises. All are within Michael Wilson's fiscal framework. Every nickel has been accounted for." As I have said already in this House of Commons, the Prime Minister's word is not worth a nickel.

Some Hon. Members: Hear, hear!

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): Mr. Speaker, it is obvious from reading this Budget that Tories never had the slightest intention of keeping their word. They never had the slightest intention, beginning with the Minister, of keeping and meeting those commitments. They were only interested in buying Canadian voters and buying the election so that they could sell this country at a discount to the United States.

Some Hon. Members: Hear, hear!

[*Translation*]

Last Wednesday evening, in a matter of minutes, the average Canadian family was saddled with $7 billion in new taxes and $2 billion in program cutbacks. To us this was not really a surprise, however. Throughout the election campaign last fall, we clearly explained to Canadians what Conservatives had in store for them. Across the country, in Caraquet, Saint-Jean, Thunder Bay, Saint-Jérôme and Saint-Boniface, I said that if he was re-elected, the Prime Minister would introduce a catastrophic new tax on consumer goods, abolish the universality of our social programs and destroy our social safety net. Everywhere I went, I was called a liar by his Ministers, by almost all the Ministers opposite. And now it has all come true. Who is lying now? Where are the real liars? This Budget is a list of broken promise.

During the TV debate in French, the Prime Minister said in full view of all Canadians, and I quote: "We shall maintain all our social programs, without fail. There is nothing in the Free Trade Agreement that will prevent us from fulfilling these obligations, now or in the future, and we intend to spend more on these programs.

In Sydney, Nova Scotia, the Prime Minister said, and I quote him once again: "As long as I am Prime Minister, social programs, especially those for the elderly, will be improved, not diminished".

In Québec City, the old capital, appearing before another group of senior citizens and this time taking his mother as his witness, the Prime Minister again made a solemn oath that he would not only maintain but increase social benefits for the elderly.

From one election to the next, the Prime Minister's style has remained the same. In 1984, he promised with his hand on his heart. In 1988, he swore a solemn on the taking his mother as his witness. However, only a few months later, he cut the old age security benefits of thousands of Canadians. But, says the Government, this cutback will only affect people with an annual income of

$50,000 or more. We know the $50,000 cut off point won't last very long. This Government has no consideration for the elderly who built this country. Today, it may be $50,000; tomorrow, it will be $40,000 and then $30,000. Finally, no Canadian will have any assurance of having a decent old age. In any case, the purchasing power of $50,000 will decrease every year as a result of inflation. They did not tell Canadians the truth!

[*English*]

In the Budget last week the Prime Minister and the Minister of Finance put an end to the universality of the old age pension and the family allowance. So much for the sacred trust. The principle of universality meant that every Canadian was treated equally. That principle lent credibility to our social programs. We were not dividing the country into those who deserve and those who had to be treated with charity. It was not charity. It was a right of citizenship. It was a right that every Canadian believed inherent.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Once the principle of universality is abandoned then it is at a government's discretion who is going to be treated on the dole with the charitable largesse that a government decides to distribute from time to time. Using that principle of universality, this country built up one of the most advanced pension systems in the world. We built up one of the most advanced systems of family care, one of the best medicare systems on the globe. Universality means there is no difference in treatment according to your income; you get the same doctors, nurses, hospitals and care. But that principle is not compatible with the Tory right wing agenda.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Neither is federal funding for unemployment insurance. What did the Government say about unemployment insurance during the campaign? We have already taken this up before Your Honour in Question Period. On October 13, before a large assembly of Conservatives at the Hotel Newfoundland in St. John's, the Minister for International Trade (Mr. Crosbie) said this: "The federal Government has no plans to make changes to the Unemployment Insurance Program. It is complete nonsense to suggest otherwise". That was on October 13.

• (1520)

When asked by reporters if he had checked this with the Prime Minister—they know him well in St. John's—this is what the Minister said: "You're damn right I asked him about it and he said no, no one is planning any changes in the Unemployment Insurance Program".

To put it bluntly, either the Prime Minister did not tell the truth to the Minister for International Trade or the Minister for International Trade did not tell the truth to Canadians.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): With this Budget there will be no more money for unemployment insurance. The Prime Minister and his Government are taking nearly two billion more dollars away from unemployed Canadians—all this on top of what the Minister of Employment and Immigration (Mrs. McDougall) did a week or so before. Worse, they are privatizing a public system that has been protecting Canadians for 40 years as a result of a constitutional amendment—the best system in the world.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I shuddered when they started to privatize the infrastructure that holds the country together. I refer to Air Canada, the abandonment of VIA Rail and the Post Office. However, I never thought any Canadian Government would privatize one of the most fundamental features of social insurance and the social security net of the country, never—and this Government has done it.

What the Government is doing is shifting people off unemployment insurance and on to welfare. It is taking money away from the unemployed to put into training programs. We in this Party have been advocating more training and retraining programs for years. We need more of them. However, we always assumed in our arguments that the money would be forthcoming from the general revenues of the country, or from the business community with governmental assistance, but after four and a half years of slashing training and retraining programs the Government now claims to have discovered that training is not more important and has placed it on the backs of the unemployed. The money should have come from general revenues. It is an astonishing betrayal of public trust. Once again, as we build up this indictment in the House of Commons where it should be built up, it did not tell Canadians the truth.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, look at what they said about a child care program. The Prime Minister and his House Leader brought the program into the House of Commons in mid-summer, July 14 or July 16 as I recall. It was not dealt with here in the House of Commons until the end of August. It was then sent over to the Senate. Through Senator MacEachen the Senate gave an undertaking to the Prime Minister that if he would wait three more hours—and the Senate had only spent a day or two on it—the Senators would pass it. The Prime Minister did not wait. He went to the country. Frankly, as I said during the election, he had to go to a wedding in Montreal and he called the election so he would not miss the date.

However, he went across the country saying this: "That was a tragedy for working women. It was an offence to Canadian families and we will be reintroducing that legislation and passing it as soon as Parliament comes back after the election".

Mr. Peterson: The big lie.

Mr. Turner (Vancouver Quadra): He told the Women's Health Research Foundation of Canada in Winnipeg on October 7, 1988, that he was very proud of the Government's $6.4 billion package on child care. This is what he said: "We will reintroduce child care early in the next Parliament and see it through to Royal Assent in the first session. Our program will add at least 200,000 new subsidized spaces to our existing child care facilities, doubling the present number".

The child care program promised by the Government is being eliminated before it is even put in place—a $4 billion cut over the next seven years. The Government and the Prime Minister said that there would be more spaces. Instead, there will be fewer spaces. Canadian parents, Canadian women—in particular 200,000 Canadian children—have been double-crossed, victims of a Tory right wing attack.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister and his Government did not tell Canadians the truth. Look at what the Prime Minister said during the campaign about government spending on regional development. He said before the Saint John Board of Trade in New Brunswick on October 13, 1988 that under a Tory Government "we will not have one Canada that is prospering at the centre while other regions do not receive a fair share of economic opportunity". However, they are slashing now even more money out of regional development. The campaign promise that regional development would be protected is a sham. We predicted that under the trade deal's provisions for the negotiation of subsidies the Americans would use its provisions for equal treatment and a level playing field to attack our regional development programs. What has happened is that, once again, the Government has not waited for the negotiations; it has already caved in to the United States. The hidden agenda of the trade deal is that the Tory Government is accepting the U.S. definition of subsidies. It has caved in before the negotiations have even begun.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): During the televised debate the Prime Minister said that education was one of his priorities—a priority was the way he put it. He talked about, and I use his words in the debate, "our renewed commitment to education". During the campaign he said that our health care system would not be weakened under the trade deal. Yet transfers to the provinces for health care and education have been brutally slashed—$4 billion over the next six years.

Is it any wonder that there is not a Premier who dares to stand up to support this Budget? Is it any wonder that they have attacked the Prime Minister for simply transferring problems to the provinces?

During the campaign the Tories said in their election manifesto concerning their agricultural program: "Farmers can count on a PC Government that has placed agriculture at the top of its agenda".

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Agricultural programs have been slashed in the Budget, everything from crop insurance to retail branch line rehabilitation to Farm Credit Corporation loans. The family farm continues to be destroyed by a Government which said that it would defend the family farm.

For years the Tories talked about how committed they were, led by the Deputy Prime Minister when he was the Tory critic for transportation, to improving railways and our passenger train service. Only a few weeks ago the Prime Minister told Canadians that if they want to keep VIA Rail they would have to use it or lose it. Those were his words. Now Canadians will not even have that chance. The cuts in the Budget to VIA Rail mean the beginning of the end for rail passenger service in Canada. VIA Rail is being destroyed. The rest of Air Canada is being sold off. It is to be completely privatized.

I want to reiterate a question put by the Hon. Member for Northumberland (Mrs. Stewart). The Prime Minister used to say that he was in favour of increasing foreign aid. I want to quote what he said to the United Nations General Assembly. He went there on September 29, two days before he went to the Governor General asking for the writ of election. This is what the Prime Minister told the world in his speech: "Increased development assistance, especially to the poorest countries, is another imperative. Canada has just completed a review of its official development assistance policy. We have reset our bearings to improve the quality and increase the quantity of the help we give to recognize the special role of women in development and to concentrate on the poorest people in the poorest countries".

Ms. Copps: Another lie.

Mr. Turner (Vancouver Quadra): Canadians used to be proud of our contributions around the globe. We used to pride ourselves in being citizens of the world. We used to pride ourselves in being open to those members of the human condition who are not as fortunate as we are. In the best traditions of Mr. Pearson, Liberal philosophy has encouraged us to reach out to those in other countries who are less fortunate. Now in this Budget they are slashing foreign aid. They are leading our country and our citizens to turn our backs on the global human condition. We are turning our back on world poverty and hunger. As a Canadian, I want to say frankly to you, Mr. Speaker, and to the country that I am totally ashamed. Our Prime Minister has lied to the world.

• (1530)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This is a Budget of deception. The greatest hypocrisy, the greatest deception of all is what the Minister of Finance (Mr. Wilson) now says about the deficit and the public debt. It is a completely different story from what he said before. Before and during the election the Tories said there was no problem with the deficit or with the debt. Now the Minister wants Canadians to believe that the fiscal problems suddenly appeared after the election. That is absolute nonsense. Interest rates did not begin to rise only last week or a month or two ago. The Prime Minister and the Minister of Finance knew the debt picture during the campaign. They knew the deficit picture during the campaign. They knew that interest rates were running at 11 per cent or 12 per cent during the campaign. They deliberately misled Canadians. They did not tell the truth to the people of this country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Tories played at the politics of deceit. This is a Budget of broken promises, a Budget of deception. It is also a Budget of fiscal mismanagement.

[*Translation*]

On November 22, the very next day following the election, the Government suddenly realized that he was faced with a deficit, a huge deficit of its own making. The Government had created it during its first term. In just four years, the Prime Minister and the Minister of Finance had doubled the debt which Canada had accumulated since the beginning of Confederation. In less than five years, they had doubled the debt accumulated for over 120 years. The national debt increased from $170 billion in 1984 to $330 billion today. It will reach at least $440 billion by 1993–94. I say "at least", because on the basis of the Finance Minister is past forecast which have always been so far off target, we just could not rely too much on his forecasts for the forthcoming years. In 1994, therefore, on the basis of the Finance Minister's own figures, our national debt will have increased to $440 billion in ten years. In only ten years, this Tory Government will have tripled the national debt.

Even if the Minister of Finance claims that he has tamed the deficit, the other Members of this House and I understand what figures mean when we see them. We understand from the Budget papers that the deficit amounted to $28 billion in 1987, $29 billion in 1988, and that it will amount to $30.5 billion in 1989. Mr. Speaker, it is clear that when an amount goes from $28 billion to $30.5 billion, this represents an increase. I have never seen an amount decrease from 28 to 30. The Minister increased the deficit by $2.5 billion compared with two years ago. He did not reduce the deficit by $5 billion as he claims he did. Some day this Government will have to come clean and tell things as they are and not as it imagines them to be.

Business people and financiers everywhere in the world realize that the Canadian deficit and debt are totally out of control with this Minister. In this respect, except for Italy, Canada is the worst off of all the industrialized nations, for our situation is worse than that of Germany, France, Japan, the United States and the United Kingdom. Business people fully realize that this Government, beside juggling with words and figures, just cannot deal with the deficit problem which increases from year to year.

Once the investors are invaded by doubt, they will go elsewhere to invest in other currencies. Hence, the Canadian dollar will drop, and to maintain it at its current value we will have to increase the interest rates which are already too high. And then consumer purchasing power will decrease and we will wind up right in the middle of a recession.

The Conservative government has created a monster of a deficit which it is now trying to kill, destroying in the process the economic and social structure Canada has been building for a hundred years.

[*English*]

The Minister said repeatedly in this House and across the country during the last five years that he would reduce the deficit in sizeable amounts year after year. He did not do so. The deficit is up, not down. He said he would reduce the rate of growth of the public debt to better the economy. He did not do that either. The debt now accounts for 55 per cent of the gross domestic product, up from 45 per cent four years ago. The Minister also said he would reduce the deficit through expenditure reductions and not through major tax increases. He did not do that either. In this Budget, three-quarters of the increases in the Budget are tax increases and one-quarter are expenditure accounts—three-quarters on the taxpayer and only a quarter taken by the Government.

An Hon. Member: Shame!

Mr. Turner (Vancouver Quadra): In four and a half years we have had nothing but tax—tax after tax after tax from this Government—regressive, hitting the low and middle-income people the hardest. We have had deindexation of the tax system, the most hidden and sneaky tax of all. We have had four increases in the federal sales tax, from 9 per cent to 10 per cent to 11 per cent and now 13.5 per cent. Yet this Minister said it was a silent killer of jobs. We have new taxes on construction materials, telephone calls, cablevision, gasoline, cigarettes, alcohol, air transport taxes. Surtaxes on income are now up to 5 per cent for those under $70,000 a year. When you add up all these tax increases imposed by this Government, you get the largest increases since Confederation, including those increases during two world wars. You get a clear picture of the Tory right wing agenda at work.

Some Hon. Members: Shame, shame!

Mr. Turner (Vancouver Quadra): Mr. Speaker, using the Minister's figures from five successive Budgets, taking the total increase in taxes for individuals from all sources, income, excise, sales, deindexation of the system, surtax and so on, cumulative from 1984 during the life of this Government, a couple with two children and one earner, the income being $23,600 a year—which is the poverty line, and I have chosen it deliberately—that family since 1984 has had taxes increased by 60 per cent.

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): That is the poverty line. The average income in this country, according to the Department of Finance and National Revenue, is $45,000 a year. The cumulative tax increase from all sources since 1984 is 30 per cent. If a Canadian earns $100,000 a year, the tax increase has only been eight per cent. I will say to the Minister, Canadians do not mind sharing a burden, but they want to share it fairly, and this Government has not been fair.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That does not include, Mr. Speaker, the new 9 per cent goods and services tax the Minister intends to impose in 1991. It will be the biggest and the most regressive tax grab in history. It will be a tax on almost everything, on virtually every commercial transaction: books, shoes, auto insurance, child care services, train trips, bus fares, electrical repairs, plumbing bills, fire insurance, life insurance, haircuts, bookkeeping, legal fees, new homes, renting an apartment, bank charges on everything.

Mr. Peterson: Music lessons.

• (1540)

Mr. Turner (Vancouver Quadra): There will be a tax on funerals. Not only will there be a tax on funerals, there will be a tax on reading the will. That is where the Government has taken us.

It is regressive, it is unfair, and the poor in this country will pay much more. The Minister of Finance promises that it will be "revenue neutral". The Minister says that he will not collect any more money than he has already collected. Nobody in the House believes that. Nobody anywhere believes that, and the Minister does not believe it. Once again he is not coming clean with the Canadian people.

The Minister's own Budget documents state that this new tax will provoke an increase in inflation from 2.5 per cent to 3 per cent. Every time the Governor of the Bank of Canada feels that old inflationary pressure he will raise interest rates, rates which are already too high. The Minister knows that. He knows that the real interest rate, that is to say the difference between the nominal rate and the rate of inflation, is its highest in 30 years. It is between 8 per cent and 9 per cent in real terms. He knows that the spread between Canadian and U.S. interest rates at 2 per cent to 3 per cent is double its historic level.

He should know that this Budget, combined with high interest rates which this Budget provokes, is a recipe for recession. By waiting so late in the business cycle to put its fiscal house in order, the Government has left itself no room to manoeuvre in the event of an economic slowdown.

[*Translation*]

During their first mandate, the Conservatives have tried to put their own philosophy into practice. They have juggled with the universality aspect of our programs. They have tried to de-index pensions, to restore capital punishment, to limit bilingualism. But, fortunately for all Canadians, the government was weakened by all the scandals it its midst and by its own incompetence.

Through the work of our Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) and other Members in this House who were also actively involved, we were able to avert disaster.

But this time, the situation is much worse. This time, we are faced with a fierce and all-out attack, if not a raid. The Conservative action plan just got underway and is already bulldozing its way through the country, with no hesitation, no qualms about it. Their philosophy reflected is a cynical and callous political agenda aimed at cutting everything that can help the average Canadians, in order to make room for the market forces which will benefit the rich and powerful among us. This *laissez faire* policy will help large companies to take control of the country. Just too bad for the small people, the weaker and more vulnerable citizens of our country! The Conservative agenda is the law of the jungle. The strongest, the richest and the better-informed people are on top, because all the others are left unprotected.

This is not the country, or the type of freedom that we want, but that is what the Conservatives have in store for us.

[*English*]

The Tory right wing agenda has now been completely unmasked by this Budget. It is *laissez-faire*, let market forces run the country. That *laissez-faire* agenda was reflected in the trade deal, in the Throne Speech, the unemployment insurance cuts and last week's Budget.

There is nothing wrong with business, but the business of business is money. The business of business is profits and that is fine, but the business of politics, the business of public life is people, and the Tories do not distinguish between the two.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I believe in market forces and I believe in competition and enterprise and rewarding success. I have said in the House before and said across the country that Canada would not have been built solely on market forces. We built this country, east and west and north, in order to resist the overwhelming continental market forces dominated by the United States. That is why we built a railway and a pipeline. That is why we built a national airline, national broadcasting system, and a national highway. That is why we built a national system of public and social security.

Pure market forces would not have given us public housing or public transportation or the best health care system in the world. We in this Party have supported all of that and we believe, thereby, in a mixed economy. We believe in private enterprise, but we also believe that the federal Government has a role to play where private enterprise cannot or will not do the job.

Canada is not the domain of the rich and powerful. Canada belongs to every Canadian. It belongs to all of us. We are not here for self-glorification. We are here because we feel we have a legitimate role to play, that the role of this Parliament and the role of government is to defend those who cannot defend themselves.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We do not accept the Tory agenda of *laissez-faire* as expressed in this Budget, in the Throne Speech and in the trade deal. It is adding fuel to the growing concentration of economic power in this country. It is adding fuel to "mergermania", throwing open our businesses to American takeover.

No sooner was the election done with than there were plant closings, mergers and takeovers. Gillette, British Footwear, Northern Telecom, Texaco, Wardair, Consolidated Bathhurst, the list goes on and on.

What is the economic rationale? Where are the new jobs as a result? Where is the new technology? Where are the new ideas? Where is the new efficiencies or so-called synergism? I have not seen any, and it has not been proven as far as I am concerned.

The economists have a delightful word for it. They call it rationalization. It is the rationalization of North American business, the rationalization in favour of American business at the expense of Canadian workers. That is what it is.

Combine that concentration of power in Toronto, in Montreal, especially across the border, with deregulation and privatization of our transport infrastructure, with the privatization of the Post Office and now unemployment insurance, and we have the beginnings of the shutting down of rural and small town Canada.

Those who live outside Vancouver, Toronto or Montreal will be out of luck because the Tories have abandoned 120 years of nation building. They have abandoned 120 years of the principle that living in this country is equality, no matter where one lives the services have to be equal.

Again, the Tory agenda is to remove the Government from a position of controlling national economic policy. We saw yet another example in the way the Minister of Finance so readily agreed to allow American Express to open a bank in Canada. The Order in Council was signed the very day of the election. American Express comes to Canada, and they are not going to leave home without it.

The Government is obviously eager to repay the head of that American company for his support on the trade deal. However, this issue has raised another one which is germane to this Budget. It is the whole question of the ownership of financial institutions and the problem of those institutions having commercial links.

I believe there is a very real risk in allowing such links, first because it will put existing Canadian control of the major part of our financial industry in jeopardy. Existing rules prevent more than 10 per cent of our largest banks being owned by any one entity. However, other parts of the financial industry have become effectively controlled by individuals or groups of individuals, in some cases with as little as 30 per cent or 35 per cent of the shares.

According to the trade deal, American corporations and citizens are to receive national treatment. That is to say, they will receive the same treatment as Canadians, so that any policy that increases the ability of individuals or corporations to secure substantial holdings of Canadian financial institutions will inevitably lead to the erosion of Canadian control.

• (1550)

Second, I believe that allowing commercial links will increase the risk of failure of these institutions because of the increased possibility of self-dealing. The Canadian experience shows that self-dealing cannot be regulated effectively. That is the same experience the Congress of the United States is now facing south of the border.

Financial institutions have a unique role to play in our economy. They are not an industry like any other. They cannot be left solely to the pursuit of private interests because their success or failure could have a profound effect and impact on our economy. For example, the failure of the Canadian Commercial Bank and the Northlands Bank in Edmonton cost the Canadian taxpayer billions of dollars. The combination of deposit insurance and the now accepted belief that such institutions cannot be allowed to fail by the Bank of Canada increases the risk. The Government, in effect, through the Bank of Canada, through the Ministry of Finance, has become the partner of private financial institutions and the guarantor of last resort for the liabilities of such institutions. As such, the Government has a role and a responsibility to ensure that those institutions are operated in the public interest.

Of course, some risks will exist whether the shares of financial institutions are closely or widely held. The fact is that the temptation to run exclusive risks is greatly increased when an institution is controlled by a small group of people, and even more so, in my opinion, when that small group may reside in another country. Insider abuse and regulatory failure have been the prime reasons for the disasters that have occurred in the U.S. financial system. Currently—and this is the first action that had to be taken by the new President, George Bush—they are attempting to bail out the savings and loans industry to the tune of what the federal administration in Washington calls $100 billion. Commentators in Washington, New York, Los Angeles and Chicago feel that amount may well exceed $200 billion. We should learn from their mistakes and not allow those same practices to be repeated in this country.

I would have more confidence that those practices would not be imported into Canada if the Tory Government were not so dedicated to renouncing traditional Canadian values and traditional Canadian practices and unquestionably accepting the U.S. free trade market model. We see inroads of presidential politics, of American financial ease. We see that this is not a Government that upholds Canadian sovereignty or Canadian practice and independence. This is not a Government that has demonstrated any desire to uphold the Canadian traditions of fairness and compassion. This is a Government that has demonstrated in five successive budgets that it really does not care about the average Canadian. This is a Government that through its tax policy has widened immeasurably the gap between rich and poor instead of trying to narrow it.

More than three million Canadians now live below the poverty line. One third of those, one million, are children who are living below the poverty line. That is simply not acceptable to me, to my party, or to this country. All of these people, the dispossessed, the poor, the disadvantaged, the handicapped, the unemployed, all are the victims of a Government that has pitted region against region, favouring the wealthy and large corporate interests, leaving lower and middle income groups to fend for themselves.

The Tory Government again symbolized by this Budget has shown a callous disregard for so many Canadians. It has shown a meanness of spirit. The sole value the Tories have promoted since 1984 has been money, profits and the glory of the free market system. What they have rejected is the Canadian sense of fairness, a sense of fairness that this party has attempted to portray and to implement ever since it was founded.

It is the philosophy of the right wing Tory agenda now unmasked in this fifth Budget to pick on the unemployed, to pick on the poor, to pick on native students, to pick on the poor provinces, to pick on the homeless. That is not now and never will be the agenda on this side of the House or the agenda of the Liberal Party.

Canadians are willing to make sacrifices. We are willing to give up certain comforts, certain advantages, if it helps someone less fortunate and if it is fair. It not only has to be fair in our eyes, but it has to be seen to be fair. If it is fair, we will make those sacrifices. If it is fair, we will go the extra mile.

We Liberals do not regard Canadians as so many widgets in a national economy. We Liberals believe that good social policy is also good economic policy. It makes economic sense that the more skilled our people are, the more educated they are, the healthier our population is, the better our economy will perform.

We are not a party that marches to the drum of any special interest. We do not march to the drum of big business or big labour. We have always believed in the supremacy of the individual, that the only purpose of a political economy is to create and encourage an equal climate in which men and women, no matter where they live, where they grow up, where they work or where they retire, will be able to fulfil themselves to the limit of their individual potential.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We are a party in which every Canadian is welcome, in which every voice can be heard. We are a party that speaks to the conscience of Canada, a party that will not abandon the values on which this country was built. I am confident that these values can endure. I am confident that Canadians want these values to endure. That is why we must continue to give a voice to those values, to help the Canadian people to understand what is really behind this Tory Budget, what is really behind the Budget and what the Tory Government is doing under the guise of this Budget to make this country a different place from the one we have known.

We will do everything we can during this debate and throughout the coming mandate of this Parliament to make our alternative Liberal vision come alive for Canadians. We believe in the great dream of Canada, a Canada rich in the accomplishments of the past and the promises of the future, a prosperous Canada, a fair Canada, and above all a sovereign Canada, an example to the world, an example to the world in fairness, in generosity and in concern. For all our people and for the citizens of the world, we will keep that faith and we will keep that dream alive.

Some Hon. Members: Hear, hear!

• (1600)

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Frankly, Madam Speaker, this is quite a change. Only a few days ago, the Hon. Member for Vancouver Quadra (Mr. Turner) told Canadians: There is no Budget. From what I have heard during the last few minutes, his attitude has changed. He now admits there is a Budget.

Madam Speaker, Bill C-11, which may be cited as "Borrowing Authority Act, 1989-90", is intended to provide the Government with a borrowing authority of $25.55 billion, so that the Government can meet its financial requirements and carry out foreign exchange transactions. As Canadians, Madam Speaker, we cannot deny that the national debt, which is rising constantly, has become a major problem. The cost of financing the debt is also increasing, at a steady pace.

Only 20 years ago, the interest on the debt was 12 cents out of every dollar paid by taxpayers to Ottawa. However, when our Progressive Conservative Government came to power in September 1984, that figure had already risen to 32 cents. This year it will be 35 cents. So it is clear that as a result of the recent increase in interest rates, this enormous debt has put us in a very vulnerable position.

In just one year, the projected cost of paying the interest on the debt has increased by more than $6 billion. This year alone, interest will cost us $39 billion. We must realize, Madam Speaker, that Canada has been living beyond its means. It is easy to find a scapegoat, depending on which side one happens to be in this House. However, we cannot blame my hon. colleague, the Minister of Finance (Mr. Wilson), for this debt.

I would like to remind Hon. Members opposite that when we came to power in 1984-85, the annual deficit was about $38 billion, and it was our Government that brought it down to $28.9 billion in four years time.

Remember that when Mr. Turner was Minister of Finance from 1972 to 1975, his Government's record was: a rising deficit, rising inflation, rising interest rates and rising unemployment.

To remedy the situation, Madam Speaker, it was necessary to act, and that is exactly what we did. We know that if we want to maintain the social programs and high standard of living that Canadians want for themselves and for their children, we will have to implement a tough debt reduction program.

Madam Speaker, our Government has already made considerable progress in this respect. We have succeeded in reducing the growth of the debt from 24 per cent in 1984 to less than 10 per cent last year. Despite that progress, the debt is continuing to grow more rapidly that our national income.

The Minister of Finance has proposed a series of budgetary cutbacks in order to deal with this urgent problem. Madam Speaker, few Canadians like tax increases, but our debt is a major problem that will not disappear by magic.

The reality is that we did not fully pay the cost of public programs over the years and that we lived beyond our means. The measures taken by successive governments before 1984 shrank the tax base. This resulted in unfairness and lower federal revenues. Our Government has since acted to restore integrity to the tax system. This has involved some specific measures over the past four years. We abolished specific tax breaks. We eliminated some loopholes. We limited the ability to avoid tax for corporations and high-income individuals. We also reduced the incentive for tax avoidance with a comprehensive tax reform which broadened the tax base and lowered tax rates. But we must still go farther. A healthy economy is necessary to accomplish our objectives for the coming years. It will provide us more and better jobs, as well as the ability to satisfy Canadians' social and cultural priorities.

It is surely no secret, Madam Speaker, that our Budget is tough. It is tough, yes, but it is also fair! Remember that the debt costs us $1 billion in interest alone every 15 days. That is huge! We do not have the choice of turning off the tap and raising taxes. There are major budgetary restrictions. The large increase in debt service prevents the Government from reducing the deficit this year. These expenses—public debt charges and government operations, which in a way are paralyzing our country's finances—cannot be reduced, Madam Speaker. So the priority is to curb the deficit and then lower it to a more acceptable level. This is the goal set by our Finance Minister and he has given himself the tools he needs by reducing expenditures and increasing revenues.

Limiting the debt will enable us to pass on to our children and grandchildren something other than a huge debt that may be out of control. This budgetary policy, Madam Speaker, guarantees all Canadians a better future. Allow me to draw to your attention, Madam Speaker, the comments of a distinguished citizen from my region who said the following at a meeting of business people a few days ago, as reported by Bertrand Tremblay in *Le Quotidien*: "If he wants to do an effective job courageously, any Finance Minister must sacrifice his popularity, philosophized director Eddy Lalancette at a meeting called by the accounting firm of Charette, Fortier, Hawey, Touche and Ross."

The one who said that, Madam Speaker, is a former municipal councillor who was once a financial officer himself. Mr. Lalancette indeed knows that applying such measures may not be popular—that is just what our Minister has done. I believe that he has put his finger on the situation facing us. We must take unpopular action, yes, but in the interest of Canadians!

Also, Madam Speaker, I would like to present to you other comments that say the exact oppositie, to show that every Canadian can have a different point of view. This time, it is one of my colleagues in the Québec National Assembly, Francis Dufour, and here is how he saw our Budget. In one of our newspapers, *Le Réveil local*, he said that the federal Finance Minister's latest budget in no way shows that the Mulroney Government is able to control its expenditures seriously. But, Madam Speaker, I think that my colleague is surely not familiar with the Finance Minister's Budget and this document on the Budget Speech. I will give it to him here and I think it is important for Canadians to see what is happening. In 1984–85, government program expenditures were $86.8 billion.

• (1610)

When we took power, the Government revenues amounted to $70.9 billion. It means that, in 1984–85, our expenditures exceeded our revenues by about $16 billion. In 1988–89, the Government spent $100 billion on programs and its revenues were $104 billion. In the coming year, expenditures will be around $103 billion and Government revenues will amount to $112 billion.

As we can see, Madam Speaker, Government revenues are gradually getting higher than its expenditures. However, our Government has to deal with the problem of the growing debt. The debt has now reached $320 billion and it costs a lot of money. I will now quote some figures which should make the situation clearer. In 1984, the deficit amounted to $38 billion; in 1988–89, it is $28 billion and next year it will reach $30.5 billlion. As for expenditures, they accounted for 19.5 per cent in 1984, 16 per cent in 1988–89 and 16.1 per cent in 1989–90. Those figures show that our expenditures are decreasing in proportion with the gross domestic product.

Madam Speaker, we have a date here which cannot be ignored and which show that the Government has brought its debt under control and taken the appropriate action to ensure that the debt will soon grow more slowly that the Canadian economy.

That being said, Madam Speaker, I think that with all due respect for my colleague, the Québec MNA should consider these elements for he would realize that on the contrary the Government is headed in the right direction. Perhaps he would do well to heed the advice of Mr. Lalancette who said that a Minister of Finance cannot expect to win a popularity contest when he delivers a Budget speech.

Yes, Madam Speaker, ours is a tough Budget, but I think it is fair. Why fair? Because it expects more from those who can afford to pay, those who can make that extra effort in the national interest just so we can indeed reduce that famous debt.

For starters, major companies will contribute more, and I would like at this point to convey certain considerations. We found out that a number of major companies seemed to be able to find loopholes enabling them to contribute little if anything to the public treasury. In some cases we wanted to make sure that these corporate giants would pay at least a minimum income tax every year and thus be party to the debt reducing effort. So what we did was to ask these companies to pay a new levy on capital in excess of $10 million. This new tax will be in force as of July 1 this year, an additional source of tax

revenue for the Government. This year the surtax on corporate income is expected to bring $485 million in the public coffers, and next year the revenue should amount to $965 million—which is close to $1 billion. I would suggest this is proof positive that our Government wants the corporate sector and high income earners to contribute more to reduce the deficit and to replenish the public coffers.

And our Budget is fair as well because we have preserved the principle of universality. Of course our colleagues would again prefer that we let the debt grow bigger still and refrain from taking appropriate measures to gain control. We will maintain the principle of universality in that all Canadians who meet the set criteria will continue to get the old age security pension. However, we will achieve that through a tax measure. We will recover from upper income levels money which we will distribute to those who need it most. By upper income levels, we mean people who earn more than $50,000 net. If they are 65 years of age or older or have young children, we will recover a percentage of their old age pension or their family allowances so that the money thus saved can be distributed to those who need it most.

Madam Speaker, our Budget is also fair with regard to regional development. Over five years, the government will increase by 35 percent its contribution to regional development. This shows, on its part, a will to help the regions who need it most.

Madam Speaker, our Budget is fair but harsh in a way since Crown corporations are requirest to do their share. For instance, the CBC will sustain budget cuts of some 50 million dollars over the next four years, 20 million this year and 10 million a year each year thereafter.

We will also ask VIA Rail to make an effort by reducing its expenditures by some 500 million dollars over five years, starting this year with 100 million.

Since everyone who takes the train benefits from a $100 dollar subsidy paid by Canadian taxpayers, obviously something must change if VIA Rail is to attain some degree of profitability, something which the Canada Post Corporation has been able to achieve under our leadership.

Madam Speaker, I remember all the comments we heard about this. In 1981–82, if I am not mistaken, the annual deficit of Canada Post was $600 million a year. And it was up to the Canadian taxpayers to pay for it out of their taxes. This year, Canada Post has become a viable entity, earning something like $40 million to $60 million.

Those are some examples of measures the federal government is taking to ensure that our Crown corporations will become profit-making enterprises.

We will also expect some effort on the part of the Federal Business Development Bank, which will be asked to make a $65 million contribution to the coffers of the state through budget cuts.

Madam Speaker, some of the measures to be implemented are somewhat harsher, namely the federal sales tax. I think that our government is already taking the necessary steps to ensure that low-income Canadians are in a better position to carry the burden of the federal sales tax soon to be applied.

Madam Speaker, the reason for this federal sales tax is to make sure Canadian products are more competitive on international markets. This tax will be applied in such a way as not to penalize Canadian products compared to goods produced outside this country.

I want to come back to the issue of the refundable federal sales tax credit. Madam Speaker, this credit will increase from $70 to $100 per adult this year, that is in 1989, and will reach $140 in 1990. That will be done in the context of changes in the federal sales tax.

Those increases will more than compensate for the effect of higher federal sales tax on individuals and families whose income does not exceed a certain level. They represent a first stage towards the new federal sales tax refundable credit, which should accompany the new reform.

So that is another measure the Government is taking to make sure low-income Canadians will be able to manage when that sales tax is introduced.

Madam Speaker, I have heard people say our Government did no go far enough. It is surprising to hear about a budget like the one we brought forward that we should make or should have made deeper cuts.

I understand the arguments of those people who probably would have liked the Government to reduce the deficit to $28.9 billion this year and to $27 billion next year.

To do so, Madam Speaker, would have meant cutting $3 billion more than we are cutting now. Those are huge reductions. To avoid sending Canada into a recession, we could not risk go that far. And why, Madam Speaker, will the deficit amount to $30.5 in 1989–90? Simply because of the rising interest rates and the $39 billion interest we must pay on the debt this year.

As interest rates get lower and as the economy grows, the reduction of the deficit will be more significant. Moreover, Madam Speaker, our objective is to bring the deficit down by 1993, from $30.5 billion to $15 billion.

In conclusion, Madam Speaker, I want to point out that our revenues are now greater than our expenditures and that the economic signals we are sending are very important. Our message at the international level is that Canada is taking appropriate action to control its debt.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for St. Boniface (Mr. Duhamel).

Mr. Duhamel: Madam Speaker, I have a few questions for the Hon. Member. The first one, because I want to be sure I understood what he said, is this: Does he think that massive increases in sales tax, income tax and excise tax are fair to those Canadians who are poor or who belong to the middle class?

My second question, which I think is just as important, is: Would he agree that the federal Government's decision to cut certain transfers to the poorer provinces will increase the burden on those provincial governments and the people of those provinces, thus creating an additional demand for tax revenues? Would the Hon. Member care to comment on those two points?

Mr. Blackburn: Madam Speaker, I think the Hon. Member did not quite understand what I said about the sales tax credit.

When the Government introduces a new sales tax in 1990–91, the tax will be imposed on a range of goods. Some goods will not be taxed, but to help people on lower incomes cope with this sales tax, we will give them a so-called tax credit, a sales tax credit that will be refundable. As I said before, this tax credit will be increased from $70 to $100 per adult in 1989, and to $140 in 1990. We intend to start paying the credit before the sales tax is introduced, to be quite sure that Canadians on low incomes will be able to cope when the sales tax becomes effective.

Madam Speaker, if I may comment on the transfer question, there again, our Government, as part of its national policy to reduce the deficit, is asking the provinces to share part of the burden. That is why these transfers will be reduced by 1 per cent.

I think we want to make Canadians realize that this Government really wants to control the debt. We cannot afford to go on with a debt that is now $320 billion and will cost us $39 billion in interest payments this year or $600 million every week. Can you imagine how many payroll deductions it takes to pay $600 million in interest every week? That is a lot of money, Madam Speaker!

In my riding, $600 million would build two highways from the Saguenay to Québec City. Canada must control this debt, and that is what we are doing. When this Government came to power in 1984, expenditures exceeded revenues. Today, our revenues outweigh our expenditures, and three or four years from now, when Canada's economic growth is greater than the growth of our debt, the amount of money and the interest we have to pay on the debt will go down gradually, and we will be able to afford a more prosperous economy.

Mr. Duhamel: Madam Speaker, I thought that I had asked different questions; I apologize if I misunderstood the answer.

The second question that I was going to ask is: Does my colleague agree that when a fiscal transfer is less than the previous year, the provincial governments require additional revenues? Does this put a heavier burden on each citizen, especially in poorer regions and provinces? That was the second question.

The first was: Does he agree that this massive tax increase will hit the poor and middle class much harder, proportionally? I did not hear the answers to these two questions.

Mr. Blackburn (Jonquière): Madam Speaker, first I would like to remind my colleague that the provinces will continue to get more in dollar terms than before. However, the rate of growth will decline. The provinces will continue to receive more money, but the rate of increase will go down.

• (1620)

[*English*]

Mr. Jim Peterson (Willowdale): Madam Speaker, in the few years I have had the privilege of serving as a Member of Parliament in this Chamber there have been debates of great importance. One of those debates I recall so vividly was on the future of Canada itself and the question of the referendum in Québec and whether Québec would separate from Canada.

Another was one in which we talked about patriation of the Constitution and the implementation of a Charter of Rights that would put the rights of Canadians above those of any legislator, including those of us here in this Chamber.

Today, I believe we are in a debate that has very important, if not equally important, consequences for the future of our country and for the future of Canadians.

We are debating spending. We are debating a Budget. However, what makes this debate unique is the direction that this Budget has taken and the direction of this debate. We are seeing across from us a Government which has made the deficit its priority. We on this side of the House do not disagree that Canada's national deficit is of grave concern to all Canadians. The question, however, is: How does one decide to go about dealing with this particular problem?

We have two alternatives before us which I suggest to all Members of this House will determine the economic future of this country for years to come. We have before us a Budget which talks of the powers of the marketplace, the *laissez-faire* concept that corporations should be able to do as they wish. This is the concept of foreign takeovers, where Canadian firms are up for sale, even those companies we have nurtured through public money. I am referring to such companies such as Connaught, Lumonics, companies at the leading edge of technology. Yet we have said that they can be taken over by foreigners with the possibility that what we have built up here in Canada might forever be lost to us as Canadians.

We have a Budget which says that the future of Canada does not really lie in our hands. We can turn control of Canadian companies over to foreign corporations. As one Minister said, "let it happen, it is good for us".

• (1630)

These are some of the prospects we are dealing with, Madam Speaker, from the other side of the House. What have they done in terms of attempting to cope with the deficit? This again is a way we can determine the economic future of this country, for a Budget is not only a means of raising revenue, it is a way of declaring where a Government is actually putting its priorities. It is a way of determining not what the rhetoric says, but where they are prepared to spend their money. Where have they put their money?

It is pretty obvious to us, Madam Speaker, that the rhetoric is not matched by their actions. The Prime Minister (Mr. Mulroney) in the House of Commons just three days ago on April 28 said: "While Canada is wrestling with a very serious fiscal problem the Government is standing up for Canadians." These are the Canadians he has stood up for: seniors, who are losing part of their old age security; parents, whose family allowances are being cut; and our children who want to go to universities or community colleges. Transfer payments to the provinces are being cut. What about our younger children? The Government has reneged on its promise to create 200,000 new child care spaces. What about the homeless? CMHC has had $49 million cut from its budget. What about the sick? Transfer payments for health care to the provinces have been cut and as for the unemployed, payments to the unemployed in this country have been cut.

Nothing has been done to help the one million Canadian children who live below the poverty level. The three million Canadians now living below the poverty level can find no succour in this Budget, not one new program to help them. What has been done to help the five million Canadians who are functionally illiterate and will not be able to have full opportunities in the job market in the future? Nothing.

Look at Canada's disadvantaged regions. Regional development funding has been cut by $240 million for next year and by $400 million for the years thereafter. The Regional Economic Development Agreements have expired; they expired on March 31 to the tune of $1.6 billion and have not been renewed.

This Government is allowing the cut-back of key transportation facilities to the more distant regions of Canada: VIA Rail, Air Canada. How can these regions be strong if the communications with the rest of Canada are not built upon? We are penalizing those who have to go the farthest in this country with the gas tax. Again, that does not hit those people in the big urban regions who have public transportation as hard. It hits the people who have to drive long distances to their jobs and to market their goods. These are the people of Canada's regions.

In cutting back on military bases, again in the regions of Canada, we are insensitive to the needs of those particular communities. We are prepared to decimate them. The Minister yesterday in this House said, Madam Speaker, that as far as Grand Prairie is concerned, they are going to look at new ways to train our military forces. They are going to contract these services out. This is the absurd level to which this Government is prepared to take its right wing Tory policies. They are going to privatize the Canadian Armed Forces.

What is going to happen to the regions of Canada that are so dependent on tourism and on the service sector as opposed to the manufacturing sector? Who will this new goods and services tax prejudice the most? It will be those regions that are dependent on these sectors I have just spoken of where the new taxes are going to apply in a way they do not now that will hit every aspect of those economies without any thought for the fact that these regions of Canada deserve a break. Canada's regions are critical to the economic future of all of us. We as Canadians cannot be strong if our regions are not strong and if Canadians from all regions do not have economic opportunities.

Who else have they hit? Our homeowners. Tax on construction materials has gone from eight per cent to nine per cent. It will increase the average cost of a house in Canada by about $500. Add to that the new UI benefits that will have to be assumed by employers and workers. So you can add on another couple of hundred dollars to the cost of a house.

The Secretary of State for External Affairs (Mr. Clark) I know must feel chagrined. There was a cut from his budget for overseas development. It was one of the biggest whacks taken out of our possibility for spending to create the type of world we want, a world that is humane, where neighbours look after neighbours. Until we realize that unless we can bring the rest of the world to higher standards of living, to higher standards of health care, to literacy, to education, to shelter, we Canadians will not fulfil our role as humanitarians and world leaders. We even jeopardize our long-term economic future.

Nothing in this Budget helps our cultural industries, the industries that help us to define ourselves as Canadians.

In terms of going about the task, Madam Speaker, of building a type of industrial infrastructure we want here in Canada, what has happened in terms of the education and training to which this Government has paid lip service, to which the Government's own commissioner, de Grandpré, said we need much more spending and readjustment on training to cope with the new economic realities and to protect us from the ravages of the free trade agreement with the United States. On this the Budget is silent.

In terms of research and development, to which this Government has committed itself time after time, there are no incentives. Incentives that have previously been in the Income Tax Act to encourage innovation in Canada and to encourage incorporation of the new technologies into Canadian goods have been removed. There is no new tax on corporations, as de Grandpré suggested, to deal with the training requirements, to deal with the investment in our human capital, which is so critical to our economic future and so critical to fairness here in Canada.

We should look at our small businesses, which are the lifeblood of Canadian job creation, and the training of entrepreneurs, which is the heart of many communities. What has happened? John Bulloch, friend of the Conservative Government, said: "I call this Budget a tax tidal wave that is going to wash out consumer spending and business activity." The Government has increased the small business tax. The burden of unemployment insurance, which has now been privatized, will be about $2.9 billion falling on the private sector. The goods and services tax will add another nine per cent. The federal sales tax, the most regressive you can imagine and one that is harmful to manufacturing everywhere in Canada, has been increased from 12 per cent to 13.5 per cent.

Then the construction tax I mentioned, which impinges on small business. Even if our businesses want to diversify into the regions, the first thing they are going to hit, apart from decreased transportation facilities, is the additional tax on telecommunications. If they need help to get established, do they go any more to the FBDB whose funding has been cut by $13 million? If one is looking to aerospace, which is a leader among Canadian industries on the world scene, one would see a cut of $25 million.

• (1640)

Yes, one can say that we have a deficit. That is what the Government has been saying through every one of its Members. They are saying that every cut is justified because we have a deficit. They do not tell us that the deficit has doubled in the four years that they have been in office controlling the economy. There are alternatives that they could have undertaken in dealing with the deficit, if they had not been such terrible financial managers. They have justified the Budget to us on the basis that it reduces the deficit. Last year the deficit was $28.9 billion. This year it is $30.5 billion. They have not decreased it, it has gone up.

How have they gone about coping with the deficit problem? They have done it in a right wing, machiavellian fashion on the backs of the disadvantaged. They have done it by cutting programs directed at the homeless, the poor, the sick, the weak, children, the illiterate and the regions. They have also done it on the backs of the average and the poor taxpayer. Since the Government has come into office it has increased the taxes of a family living at the poverty line by a full 60 per cent. They have taken the middle income family with income in the neighbourhood of $40,000 to $50,000 and over their tenure have increased the taxes paid by that family by 30 per cent. Taxes on the families in the $100,000 income range have gone up only 8 per cent. The share of income taxes paid in Canada by corporations has declined steadily under the Government.

What we have seen is an attempt to deal with the deficit, but it is being done on the backs of the poor and middle income Canadians. They are doing it by taking further from the programs that create social and economic justice for those least able and equipped to deal with it. They are doing it with all the advantages, all the breaks directed at the highest paid people in our society, high income Canadians and our major corporations.

I said when I started my remarks that this is an historic debate. It is a watershed in terms of Canadian political history as to where we are going. Unfortunately, the Government has another four years before it has to put its case to the people again. However, I suspect that many of its Members over the next couple of years will want to cross the floor to join us. They will want to do that because their constituents know that the way they are tackling the problem of the deficit is not only ill-managed but ill-conceived in terms of fairness.

Members opposite have a mandate. If they carry it out the way they have set it out in the Budget we will see Thatcherism run amok. The rich will benefit at the expense of the poor. We will see a two-class Canada. We will see rich individuals and poor individuals, rich regions and poor regions. We will see the disadvantaged remain disadvantaged, those who with a bit of help and understanding from the federal Government could become productive players on the Canadian economic scene. We can see these people being put down further by the Government when in fact it had the option to invest in them and make them full-class Canadians, full-class players in our economy.

We are seeing a meanness and a pettiness which accompany the total incompetence the Government has demonstrated in dealing with our national economic problems. This is a watershed in our economic history. It will be a watershed in our social history as well. The Government is taking it out on the backs of the poor. I want people to think about this. Is this truly the direction we wish to go in?

I believe that Canadians are fair. As my Leader said just a few minutes ago in what I believe was an historic speech, Canadians are prepared to sacrifice, providing that they perceive that sacrifice to be fair and providing that they see it as giving benefit to those who most need it. The Budget meets none of those criteria. It meets none of the criteria for helping to build a strong economy for Canada's benefit. It is a Budget which turns us more and more over to the foreign elements that are taking control of Canada to an even greater extent.

In conclusion, we Liberals on this side of the House ask Canadians to ask themselves these questions: When will the Government stand up for Canada? When will it stand up for them? When will it be fair?

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): Order. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand)—Unemployment Insurance—The Budget—Cut-backs in funding/Social Programs—Cut in funding; the Hon. Member for Welland—St. Catharines (Mr. Parent)—Public Works—Development of Welland Canal lands/Request for public meeting; the Hon. Member for York West (Mr. Marchi)—Immigration—Lebanon—Plight of refugees—Consular services in Cyprus/United Nations High Commission on Refugees—Request for emergency meeting.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1989-90

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Clark (Yellowhead): Madam Speaker, by way of commentary I would like to advise my hon. friend from Metropolitan Toronto that the community in Manitoba to which he meant to refer is Portage la Prairie, not Grand Prairie. I know that from the perspective of Toronto it is rather difficult sometimes to have a precise understanding of the whole of the country.

Mr. Duhamel: It was the emotion.

Mr. Epp: The Member from St. Boniface did not know the difference either.

Mr. Duhamel: I was there Sunday at the meeting. Where were you?

Mr. Clark (Yellowhead): I thought that since his colleague from St. Boniface did not correct him on the geography of Manitoba that perhaps I should.

More seriously, I listened with great interest as I normally do to the Hon. Member. He acknowledged the importance of the debt. He criticized the measures that the Government has taken to reduce the debt of Canada. I wonder if he would tell us in precise terms what his Party proposes to do to get Canada's debt down.

Mr. Peterson: Madam Speaker, I would be delighted if I were in government to set forth a completely alternative agenda in terms of what could be done. The first thing we would not do is what the Tories have done.

Let us consider the concept of wealth creation in Canada. Madam Speaker, do you think we can produce a strong economy for Canadians in the future if our key Canadian industries are going to be turned over lock, stock and barrel to any foreign corporation that wants to buy them out? Since Investment Canada was reconstituted by the Tory Government, it has received 606 applications for takeovers of Canadian enterprises by foreign firms. Every one has been approved. It is nothing but a rubber stamp operation.

Why do foreign companies want to take over Canadian companies? It is because they can get at our research and development. They can get at our technologies. They can take the profits out of Canada for reinvestment in their home countries.

In terms of creating additional wealth in Canada we would emphasize our human resources. Japan, for example, as I am sure the Secretary of State well knows, spends twice as much per capita in educating its human resources as does Canada. If we do not have an intelligent, informed, 21st century knowledge level of human resources in Canada, how can we compete on the world markets? This is the difference between the Tories and the Liberals. We look on education. We look on bolstering the handicapped and training them. We look on curing the sick not as a privilege that should be the subject of deficit cuts. These are investments in human resources. So there is a fundamental difference of philosophy between us.

• (1650)

In terms of raising taxes, we would not have, as the Tories have done over the last five years of their fiscal management of Canada, increased by 60 per cent the taxes payable by a Canadian couple with two children whose total poverty level income is $23,500. We would not have increased the taxes borne by middle-income Canadians over that same period, with the same type of family but with an income of about $45,000, by 30 per cent. We would not have done it in a regressive way—through sales taxes, which hit the poorest in the most excessive manner.

The sales tax applies to everything a person consumes. If you are spending all of your money simply to live, you are paying a far greater percentage of your income in sales taxes than if you are a rich person who has the discretion as to whether to invest or to spend.

The top level of income taxes have gone consistently down. We have a Government that has granted a $100,000 capital gains exemption to the rich. We have a Government that says if you buy a condominium in Florida and put your money there, you do not have to pay gains on the taxes here in Canada. That condominium in Florida is not creating jobs for Canadians. We have a Government that is not prepared to invest in the industries of the future. They look on tax incentives for research and development for new technologies as an expenditure. We know that we cannot compete in the world marketplace unless we are going to spend money as other governments do, as other nations do to create the highest level of technological development, the highest level of research here in Canada.

What they have done, in a nutshell, is they have given up our possibilities of being competitive in a more fiercely competitive world. They have denied us this right with this Budget. Secondly, they have taken the money from the weakest people in Canada. They have left the richest groups, the most privileged groups, with the lowest tax burdens. They have used the most regressive form of taxation on the backs of the poor in order to deal with this deficit, a deficit I cannot for the life of me understand. This right wing Government is so pre-occupied with cutting government spending, yet it has increased Government spending over its five years to inordinate levels. It is a Government that has totally mismanaged the economy. In spite of the fact that its revenues have gone up 60 per cent during its term of office, it has not been able to reduce that deficit.

The deficit today is $1.6 billion higher than it was last year. This is as a result of incompetence and bungling. It demonstrates a lack of priorities and a lack of investment in our future. And in every one of these Budget cuts to Canada's disadvantaged groups the Government has lied to us. They said they would not cut in any of these areas, but they have cut them to the bone.

Canadians have been misled. When Canadians start to realize where their true economic future lies, where fairness and justice lie, they are going to revolt, and we will never have seen one of a greater magnitude in this country.

I suspect the Secretary of State for External Affairs feels chagrined when he attends international councils representing Canada and he has to admit that we have sacrificed our commitment to the poorest people, to the poorest regions in the world. I have great sympathy for you, sir; those of us on this side of the House do. We know you fought to keep those programs, because you are a decent man.

Mr. Allmand: That is right.

Mr. Peterson: We sympathize with you, and there will always be a home for you when you want to come to this side of the House.

Mr. Clark (Yellowhead): Madam Speaker, my chagrin is that my question might not have been sufficiently precise. I ask the Hon. Member to detail those areas in which the Liberal Party would reduce Canada's debt. He spoke about things he would not do. I have heard a lot of that. I would be interested in knowing what precisely the Liberal Party would do to reduce spending or to increase revenues.

Mr. Peterson: Madam Speaker, the blueprint for how we would have proceeded would be in terms of increasing Canada's economic growth, increasing the productivity of every Canadian individual, from the young in the educational system, to the handicapped, to the ill, to the people in the regions. We would have gone about creating a new role for government working hand in hand with industry here in Canada, to have Canadian-controlled industry to take us into the 21st century to have new technologies, to increase our investment in Canadians and in Canada's future. That is the way we would have gone, and it is the way the Tories never would.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The question and comment period has now expired.

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax, to which the concurrence of this House is desired.

[*English*]

Would the House agree that we would call it 5 o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It being 5 p.m., the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

CONSTITUTION ACT, 1982

PRPOSED AMENDMENT—DELETION OF ARTICLE 59

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

> That, in the opinion of this House, the Government should initiate an amendment to the *Constitution Act, 1982* to delete article 59, which restricts the rights of Anglo-Québecers to education in their own language.

He said: Madam Speaker, the purpose of this motion is to assure that English-speaking Québecers have the same constitutional rights to education in their language as francophone Canadians outside Québec have in their language. In other words, the purpose of the motion is to ensure that there is equality with respect to language rights for English-speaking Québecers and French-speaking Canadians outside Québec. That is the purpose of the motion.

• (1700)

That equality does not exist at the present time. It does not exist because of Article 59 of the Constitution Act, 1982. Let me explain.

When the Constitution Act, 1982 was tabled in the House in 1981, Article 59 was not part of it. It did not exist. At that time, minority language rights with respect to education were governed entirely by Article 23 of the Constitution Act, 1982.

Let me read that Article. It states:

> 23(1) Citizens of Canada
>
> (a) whose first language learned and still understood is that of the English or French linguistic minority population of the province in which they reside,. . .
>
> They have the right "to have their children receive primary and secondary school instruction in that language in that province." In addition those citizens.
>
> (b) who have received their primary school instruction in Canada in English or French and reside in a province where the language in which they received that instruction is the language of the English or French linguistic minority population of the province—have the right to have their children receive primary and secondary school instruction in that language in that province will also have that right.

Article 23(1)(a) says that an anglophone in the Province of Québec whose language first learned and still understood was English, has the right to send his children to English schools if and when he has children. It said the same thing for Francophones outside Québec. If their mother tongue was French and they still understood French they had the right to send their children to French schools in any province in Canada, if that was the situation.

The article also says that even though a person's mother tongue was not French or English but that person had received his primary education in French or English, he also had the right to send his children to those French or English schools. That was the situation when the Constitution Act, 1982 was tabled in the House in 1981. While that Article had some imperfections, which I will discuss later, it was a good article. I supported it, as I supported the entire Constitution with great enthusiasm. I supported the Charter of Rights and the repatriation of the Constitution. I supported the amending clause.

However, in the later months of 1981, following a decision of the Supreme Court, there was a hastily called federal-provincial conference to deal with the decision of that court. Several changes were made to the Constitution Act as presented to the House of Commons. One of those changes was the famous notwithstanding clause. It was added. However, also added at that time was Article 59. It suspended to paragraph 23(1)(a). That is the paragraph I just read that states that if the first language learned and still understood is French or English, one has the right to have one's children educated in the minority language. Article 59 states that paragraph 21(1)(a):

—shall come into force in respect of Québec on a day to be fixed by proclamation issued by the Queen or the Governor General under the Great Seal of Canada.

It went on to say that a proclamation under that subsection could only be issued where authorized by the Legislative Assembly or Government of Québec.

While I voted against it, what the Parliament did was suspend the right of English-speaking Québecers to have education in their own language if their mother tongue was English. It left with them the right to have their children educated in English if they had attended primary education in English, but it took away the first basis for access to minority language education. We ended up with a situation where Articles 23(a) and (b) apply to Francophones outside Québec but only Article 23(b) applied to Anglophones inside Québec. I spoke against this provision at the time. I felt that I could never accept the entrenchment in the Constitution of such an inequity, an inequity where Anglophones of Québec in a constitutional sense would be treated different from Francophones outside of Québec.

What are the consequences of that? I will refer to my own children, as I have done so before on the record. I had my children educated in the French language in Québec because I wanted them to be totally bilingual. My son had all his primary education in French. When the day comes for him to have children and send them to school, he will have no constitutional right, despite the fact that his mother tongue is English, to send his children to an English school. He may want to send them to a French school, but he loses the right to send his children to an English school because he did not do his primary education in English. He was an Anglophone but did his primary education in French, as many Anglophones do these days in Québec.

What is the other significance to this particular clause? I know of a case where a man from a foreign country came to Canada when he was in Grade 2. He entered the Anglophone system of education in Québec in Grade 2 and went through to Grade 7. When he had children he tried to take advantage of that Section of the Constitution to send his children to an English school. The ruling in Québec was that one must do all of one's primary education in English, and six out of seven years was not good enough.

Article 59 was inserted into the Constitution at the last minute, along with several other changes that are better known than Article 59. At that time I objected and asked for reasons why this was being done, especially since all political Parties in the House had stood for equality of treatment with respect to Anglophones and Francophones. That was the basis of the report of the Royal Commission on Bilingualism and Biculturalism submitted to Mr. Pearson.

I asked for a reason. No sound reason has ever been given to me. No one has ever stood up to justify that article. It was inferred that that change was necessary in order to have the Constitution Act, 1982 accepted by the provinces and the federal Parliament. It was insinuated or inferred that if we did not make these changes the whole package would be defeated.

I could never accept that. As a matter of fact, I have not found out to this day who really asked for that change. We know that certain provinces asked for the notwithstanding clause, but I could never find out who asked for that particular change. It was certainly not the Parti Québecois Government in Québec because it was not interested in the issue at all. It was opposed to the whole initiative.

Some have said to me in later years, following 1982, that that clause was necessary in order to protect the French language. I was told that we must protect the French language in Québec.

I have been in Parliament for 23 years. I have always been strongly in favour of measures to protect and promote the French language. Whenever there has been a violation of Francophone rights, whether in Saskatchewan, Alberta or Ontario, I have taken the side of those Francophones and fought for their rights. In the early days when I first came here, most of the infractions were on that side.

• (1710)

I am in favour of protecting and promoting the French language in Quebec and throughout Canada. However, it is not protected and promoted with this kind of measure. I see absolutely no relationship between a clause that disallows anglophones from seeking education in their own language and the protection of the French language and culture. It has never been demonstrated that this provision will in fact have that effect.

I also submit very strongly that one does not protect one set of rights by suppressing other rights. Racial rights, language rights, or sexual equality rights are not protected by suppressing the rights of others. Again, this provision seems to be attempting to do that. It is not well thought out. The underlying thought behind it is that if the rights of anglophones are restricted, perhaps something will be done to strengthen the rights of francophones in Quebec.

Despite this restriction on anglophone rights to education in their own language, a great percentage of anglophones in the province of Quebec are seeking education in French for their children. The immersion courses in Montreal are packed to the limit. At the schools in my area, parents have to line up days in advance to get their children into the immersion programs. Of course, immersion programs are programs in English schools in which nearly everything is taught in French. As I said, there is a great demand for those courses. In addition to that, the program for teaching French in non-immersion English schools has been greatly improved since the days when I went to school in the province, with the result that young Anglo-Quebecers are very bilingual today. As a matter of fact, recent reports published by the Province of Quebec have shown that young anglophones in Quebec are now more bilingual than young francophones. This is surprising, because it was always the reverse in the past.

The provision in Article 59 is the result of misguided logic. As I said before, one language is not protected, enhanced, or promoted by suppressing another. We hear other arguments from time to time that attempt to justify this kind of provision. We hear that it is necessary to protect the French language in Quebec, something I have always admitted, and that in any case, English is not threatened in Canada. One hears that argument quite often.

First, I admit that the French language and culture is under threat in Quebec and in Canada, because francophones are a population of about six million to eight million people, though I forget the exact figures, surrounded by a sea of anglophones in North America. While the English language is of course not threatened in North America outside Quebec, it is threatened and has been threatened for several years now in Quebec.

The English-speaking community in Québec is a dwindling community. Many measures such as Article 59 have discouraged young Quebecers, even though they are bilingual, and members of the community have been leaving in great numbers. Great numbers of graduating students from McGill University, Concordia University, and Bishop's University are leaving the province because they feel they are being harassed with measure after measure that restricts or suppresses their language rights. While the English language community is not threatened in Canada, it feels threatened in the province of Quebec, and this has been documented in the reports of the Official Languages Commissioner.

When people use that argument, they should be clear about it. Let us not confuse what is happening in Quebec with what is happening in all of Canada. Let us not have the suggestion that those who want to speak English can go to Ontario or Alberta. My family is fifth generation Anglo-Quebecer; my home is Quebec, and I have no intention of leaving Quebec. I want my full rights in that province, as I stand for the full rights of francophones outside Quebec.

Another argument we hear is that despite Article 59, certain sections of Bill 101 and Bill 178, the English-speaking community in Quebec is still the best treated minority in Canada. That was true for many, many years, but it is no longer true. It is true that there is a series of anglophone institutions in the province of Quebec, including universities and schools, but over the years the English-speaking community built those institutions itself. It was a very large community in the province.

The fact is that the threat against anglophones now is in the form of restrictive laws. There has been attempt after attempt, both provincially and federally, including Article 59, which went in the direction of restricting their rights. That cannot be accepted.

On the other hand, there has been a slow improvement in francophone rights outside Quebec. The constitutional entrenchment of certain rights has improved the situation. While we have seen an improvement in francophone rights outside Quebec, we have seen a cutting away of the rights of anglophones in the province of Quebec.

I think my time is coming to an end. I simply want to remind Hon. Members that this motion provides that the Government initiate an amendment to the Constitution Act of 1982 to delete Article 59, which restricts the rights of Anglo-Quebeckers to education in their own language. I know that other Hon. Members will say that

francophones outside Quebec have the full constitutional rights of Article 23, but their implementation is very slow and difficult. I support them in that plea and agree with them. I have seen what has happened in certain towns and cities in Canada in which there has been reluctance on the part of certain communities to carry out the rights mentioned in Article 23. However, I want their support in this motion.

I will be listening very closely in this debate to hear what Hon. Members will say, and I will be listening very closely to hear how they justify a provision like Article 59, which clearly provides that one group, the anglophones in Quebec, should not have certain rights while those rights are available to another group in all other provinces of Canada. I urge the House to take this motion seriously.

Mr. Bob Hicks (Scarborough East): Madam Speaker, I congratulate the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) for his interest in this matter and for the research he has done. It is a matter that really is a challenge to all of us to resolve.

The Hon. Member has proposed that Parliament should initiate an amendment to delete Article 59 of the Charter. Article 59 provides an exemption for Quebec from one of the bases for demanding minority language education rights in that province. Article 59 also provides a special unilateral executive amending procedure that allows the repeal of Article 59 but only at the time of the coming into force of the "first language learned and still understood" clause in respect of Quebec. That coming into force can only occur when authorized by the Legislative Assembly or the Government of Quebec.

I should point out that since Article 59 provides a special procedure for its own repeal, a procedure that is dependent upon a prior initiative by the Legislative Assembly or Government of Quebec, it would be inappropriate to initiate an amendment in this House. However, I should like to take this opportunity to explain why two bases for demanding minority language education rights were included in the Constitution and why only one applies in the case of Quebec.

Quebec's Bill 101 sought to grandfather everyone in the Quebec English-speaking school system at the time of its adoption in 1977, but to restrict access to English schools in the future. This was because the rapidly declining birth rate among francophone Quebeckers would make it neessary to integrate immigrants into the French-speaking community if it were to maintain its relative demographic strength. Therefore, Bill 101 only provided the right to English language education to the children of Canadian citizens who had received their primary education in Quebec in English, a clause known as the Quebec clause.

• (1720)

In the interests of the mobility of Canadian citizens, the Québec Government said that it would be willing to extend this Québec clause to a Canada clause, that is, the right would apply to the children of Canadian citizens who had received their primary education in Canada rather than only in Québec.

However, because the other provinces had been far less expansive, historically, than Québec in the treatment of linguistic minorities, and because in a number of provinces the right to education in the minority language was eliminated or sharply curtailed at one point or another, a considerable proportion of Canadian Francophone parents living outside Québec could not receive their primary instruction in French. Thus, the Canada clause would create rights for almost all Anglophones living in Québec while a high number of Francophones outside Québec would have no right whatsoever.

In these circumstances, the federal Government devised the "first language learned and still understood" clause to provide the right for the children of Canadian Francophones who were not allowed to be educated in primary schools in their own tongue.

When it was decided by Prime Minister Trudeau to impose Section 23, the minority language education rights, on the National Assembly without its consent in 1981, he determined that the Canada clause, which Québec had offered on the basis of reciprocity to the other provinces, should apply to Québec because all other provinces accepted it.

However, the other provinces, recognizing that historical policies would effectively limit the application of the Canada clause to their own Francophones, agreed to be bound by the alternate right based on the "first language learned and still understood" clause.

The same historical problems did not arise in Québec and did not require the corrective of this alternative right. Furthermore, this alternative right could undermine Québec immigration policy. It was for this reason that the Government, of which the Hon. Member for Notre-Dame-de-Grâce was a member, did not impose the "first language learned and still understood" clause in Québec. That is why it would be extremely inappropriate for us to ratify this amendment.

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I rise this afternoon as a Member of this House who had the honour of participating in the debates on the constitutional amendments in 1981 and of sitting on the Special Joint Committee on the Constitution of Canada. I want to emphasize that in private Members' hour my remarks are personal and that I am not speaking on behalf of my caucus colleagues. I speak on my own behalf on this very important question.

I remember well the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) who spoke with strength and conviction at the time the Section 59 provision was before the House. He did not propose an amendment to Section 59 respecting the constitutional resolution which was before the House in November of 1981. I do not know why he did not propose that amendment at the time his Government was in power. Certainly one could say that it is never too late.

There is a logical inconsistency in what is suggested here. Under Section 59 of the Constitution Act there is a special provision with respect to Québec. The Member for Notre-Dame-de-Grâce is proposing an amendment under Section 43 of the Constitution Act, 1982. That amendment would only apply to Québec and could only take effect if the National Assembly in the Province of Québec agreed to the change.

If the National Assembly of the Province of Québec were prepared to agree to the change proposed by my hon. friend from Notre-Dame-de-Grâce, it could move forward under Section 59 of the Constitution Act because under that section a proclamation can be issued where it is agreed upon by the National Assembly of the Province of Québec. Obviously, if the National Assembly of the Province of Québec wanted to proceed in that manner, it could do so.

[*Translation*]

Madam Speaker, if we, in the Parliament of Canada, in this House, are prepared to accept Quebec's distinct society, we must ask ourselves how is Quebec distinct? If it is not its linguistic and cultural characteristics that make it distinct, I do not know what does. Personally, I believe that, ultimately, Quebec's National Assembly must decide what measures are necessary to protect that specificity, Quebec's distinct society.

That is why, Madam Speaker, I support the principles of Quebec's Bill 101. That is why I oppose and speak against the proposal of my colleague, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand). He suggests the English language, the Anglophone minority in Quebec, is at risk. But it is not so, Madam Speaker.

Even the Official Languages Commissioner, in his annual report that was tabled a few weeks ago, says no for the first time. The English language, the English-speaking minority in Quebec are not threatened.

My colleague recognizes that the French language is threatened in Canada and, as a Member for British Columbia, I assure you that if Francophone parents had the same rights as Anglophone parents in Quebec, they would be very happy. That is to say, Madam Speaker, that our priority should be to make section 23 a reality everywhere in Canada to protect the rights of Francophone minorities outside Quebec, rights that still do not exist in the other provinces of Canada.

Madam Speaker, my colleague, the Hon. Member for Richelieu (Mr. Plamondon), has described very well in a letter to the Prime Minister the reality of the French-speaking minority in Canada. He also described the reality of the English-speaking minority. Let me quote from his letter:

> Anglo-Québecers get more services than all Canadian minorities combined. In Montreal, for example, English is king in several respects. There are more stores, restaurants and bars where they first address you in English, more magazines published in English, more movie theaters that show films in English, as well as more television and radio stations that broadcast in English. Proportionally, there are more schools and hospitals serving the English community than the Francophone majority itself! And while over 50 per cent of Francophones outside Québec do not have access to French schools, there is not a single Anglo-Québecer who cannot be educated in his own language if he so desires!

Madam Speaker, the Hon. Member for Richelieu talks about collective rights that must prevail over individual rights as far as language is concerned. As I said before, it is for that very reason, Madam Speaker, that it is up to the National Assembly to decide on the appropriate measures to protect that Francophone minority which represents only 3 per cent of French speakers in North America.

If the Québec National Assembly decided to implement the measures provided for in article 59(1), I would accept their decision without reservation. But, Madam Speaker, the motion of the Hon. Member for Notre-Dame-de-Grâce would force Québecers to accept that principle.

• (1730)

Madam Speaker, I think the linguistic priority in Canada today should be to enforce the right of Francophones outside Québec, for example in British Columbia or in other provinces, to be educated in their own language. That right is guaranteed by article 23 in the Constitution but, for many Francophones outside Québec, it is only a dream.

In closing, Madam Speaker, I want to congratulate my colleague, the Hon. Member for Notre-Dame-de-Grâce, on his tenacity and for giving us another opportunity to discuss that important question. But, Madam Speaker, speaking for myself, I would insist on the preservation not of a minority which is already the most privileged in Canada but of the French fact throughout the country.

Mr. Marcel R. Tremblay (Québec-Est): Madam Speaker, the motion under consideration urges this House to ask the Government to initiate an amendment to the Constitution so that Québec might agree to delete article 59 of the Canadian Charter of Rights and Freedoms, which deals with the application of some minority language education guarantees in Québec.

I will not raise the issue here of whether the anglophone minority in Québec is well or poorly served as far as English language education is concerned or whether its rights guaranteed by article 23 of the Charter are properly recognized or not. I will also resist the temptation to compare the situation in Québec with that in the other Canadian provinces.

Neither will I get into a technical debate on the way to amend article 59 of the Charter nor whether Parliament should take the initiative of such an amendment. Nevertheless, I will say this: however one interprets Parliament's role in deleting article 59, one fact remains—Québec will have to take a stand.

Now the Hon. Member for Notre-Dame-de-Grâce knows very well that successive governments in the National Assembly since the Constitution was repatriated have come out against any participation in constitutional discussions with the rest of the country until an agreement is reached to rectify Québec's isolation as a result of the 1981 constitutional agreement.

This position of Québec is why the constitutional reform process in Canada has been blocked since 1982. The failure of negotiations on constitutional matters affecting native people is an example of this.

Aware that Québec must be heard and the wounds of 1982 healed, the ten provincial premiers agreed in August 1986 to make repatriating Québec their constitutional priority. This commitment was repeated by all, including the federal Government, at the annual First Ministers' Conference held in Vancouver in November 1986. All agreed to deal first with Québec's concerns and to postpone all other constitutional issues to a second round of negotiations. This commitment of all governments led to the Meech Lake Accord in June 1987.

To try to open new constitutional negotiations, as the Hon. Member suggests—and with Québec, to boot—would amount to asking the federal Government to betray its commitment to deal with Québec's demands first and to postpone other matters until later. Moreover, such an action by the House could be perceived as outright provocation, because it is more than likely that Québec will refuse to deal with constitutional issues until the Meech Lake Accord is ratified.

Finally, if the Hon. Member is really serious about strengthening minority language education rights he will agree there is a better way to do it. Ratifying the Meech Lake Accord, which acknowledges the linguistic duality as a basic characteristic of the federation, will make it possible to proceed with the constitutional reform, and Canadians will then be in a position to concentrate their efforts on other changes during the annual gatherings of First Ministers which are already provided for under Meech Lake.

It so happens that the federal Government is firmly committed to putting the issue of stronger minority language education rights on the agenda of the first conference after ratification of the Accord.

Here is the Prime Minister's message conveyed last March to linguistic minorities and made public in Québec by the Association of Québec Regional English Media:

[*English*]

> By allowing Québec to return to the constitutional table, the Accord will enable us to continue our efforts to improve further the situation of our linguistic minorities. The Government of Canada is committed to address, among other things, the strenghtening of constitutional language rights in their broadest context at the first annual conference following proclamation of the Accord.

[*Translation*]

On the same occasion Minister of State for Federal-Provincial Relations Senator Lowell Murray went even further and stated:

[*English*]

> These discussions could help clarify, among other matters, Section 23 of the Charter of Rights and Freedoms on minority language education rights.

[*Translation*]

This commitment was repeated on a number of occasions and was given even more solemn currency in the Speech from the Throne. I quote the relevant words:

> With Québec at the table as a willing participant, future constitutional development—including the important issues of Senate reform, of aboriginal and linguistic rights, of roles and responsibilities in relation to fisheries, and of ways to strengthen the Charter of Rights and Freedoms—will become possible and will be a priority of the Government.

That, Madam Speaker, is the gist of my message. Strengthening the right of official language minorities is already slated for the constitutional discussions which will come on the heels of the Meech Lake Accord ratification. Both Québec's Anglophone minority and Francophone minorities elsewhere in Canada stand to benefit from these discussions.

In any event, adopting the motion now before the House might be construed as a denial of our promise to respond first to Québec's constitutional requests, prove to be detrimental to the Meech Lake Accord, and seriously undermine the gains the minorities would certainly achieve under the agreement.

Madam Speaker, I am sure the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) will understand my position. In the interest both of Francophones outside Québec and of Anglophones in Québec, I urge the House to keep my remarks in mind during the consideration of the motion now under study.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I would like to take part in the debate on motion 422, moved by the Hon. Member for Notre-Dame-de-Grâce, that the Government should initiate or introduce an amendment to the *Constitution Act, 1982* to delete Section 59 which restricts, as we already heard, the rights of Anglo-Québecers to education in their own language.

Madam Speaker, the debate on the treatment of minorities in this country is not over, and I think it is high time that this Government and the leaders of provincial governments act responsibly and take the advice they have been offered by the Commissioner of Official Languages and your humble servant, which is that we urgently need a federal-provincial conference on the future of linguistic minorities in this country.

Madam Speaker, it is a fact that there is injustice in this country, in certain provinces, and I could name a few.

Mr. Prud'homme: Name them, by all means!

Mr. Gauthier: In 1982, I was one of those who voted against this Constitution because I felt that quantifying the rights of Canadians, wherever they happen to live in this country, was not the way to deal with the issue. I thought that at the time, there would be a decision by the majority that minorities should be treated fairly and equitably, wherever they happen to live in this country.

• (1740)

I felt that Section 23, which some groups and some individuals would like to change, contained elements that do not belong in the Constitution. In Article 23, we read that where numbers warrant, parents will have the right to have their children educated in the language of their choice, in the family's mother tongue. In this country, in five provinces, and I could name them for you—

Mr. Prud'homme: Please do!

Mr. Gauthier: I think I will, at the request of the Hon. Member for Saint-Denis (Mr. Prud'homme). Some groups, especially Francophone parents—and there are also Anglophones in Québec who did the same, and more power to them,—are before the courts today, in May 1989, to defend their rights. Why? To try and get a generous interpretation of Section 23 from the courts. There are cases here in Ontario, my own province; there are cases in British Columbia; there are some in Saskatchewan, Alberta, Manitoba, Nova Scotia and Newfoundland. In each of these provinces, Mr. Speaker, people are before the courts—

An Hon. Member: None in Québec?

Mr. Gauthier: No, not right now. They are before the courts to defend a constitutional right that is not being respected by these provinces. I speak from a thorough knowledge of the subject, since I have participated in several of these court challenges.

We know the federal Government sometimes does all it can to suggest it would like to see equal access throughout the land, in every province. And moneys are paid for minority education without expecting too much accountability for those expenditures and without too much concern for the fact that the Canadian Government's true role or obligation to protect and enhance the existence of those minorities should be really and seriously carried out. I can tell you that when we are being challenged in seven provinces where to this date it is impossible to obtain fairness and justice, it is difficult to ignore that, turn a blind eye, let the courts decide. Speaking of the courts, Mr. Speaker, I would like to remind you of a decision rendered by Mr. Justice Hunter of the Supreme Court who referred to the legislators responsibility with regards to basic rights, and I quote Mr. Justice Hunter:

> Although the courts are the guardians of the Constitution and the rights granted by it to individuals, it is incumbent upon legislators to enact laws that provide the proper safeguards to meet the Constitution's requirements. It is not for the courts to add details to legislative loopholes entrench in the Constitution.

Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) is right. We can't have a Constitution where *opting in* and *opting out* is allowed, where there are all kinds of provisos and rights in one province that do not exist in an other. There is one Canadian Constitution, enacted in 1982. It should in my view be the subject of a national consensus and apply to all Canadians.

I know it is difficult to understand how a French-speaking Canadian in Ontario for instance or Saskatchewan, or Alberta, or wherever in Canada, can suggest: my wholehearted support to a Constitution? Yes, but a Constitution that is fair, that applies equally to all. I recognize regional considerations, I recognize that in some provinces the number sometimes may be minimal, because of the assimilation we have been subject to for 100 years.

I simply suggest this to Hon. Members: When you are asked to ensure there is a first ministers' conference, this might open the door to a consensus, a resolution of certain problems. I appreciate that the Hon. Member for Notre-Dame-de-Grâce has been one of those Members in this House who always supported language minority goals in this country. This is a fact. I recognize this. He always supported us, even though we at times went through difficult periods, in Ontario for instance, but he never faltered. He told Ontario: Having signed the Constitution, why are you imposing education requirements to Québec when you refuse to recognize in Ontario the constitutional requirements that Québec must meet, and I am thinking of Section 133, in particular.

I know Section 133 recognizes the right to access the courts and provincial legislatures in either official language. The two provinces, Québec and Manitoba, are subject to that section. New Brunswick of course has its own Charter, its own Constitution, and it also accepted the spirit of that section. However, it is difficult in this country to hear the Hon. Member for Notre-Dame-de-Grâce mention, as he stated himself today, that he had his children educated in French in Québec. And because he had his children educated in French in Québec, he lost forever his ancestral rights to have his grand-children educated in his mother tongue, English. This is a problem that will have to be solved. This is what he is raising today, and I support him. I say there is a problem there indeed. However, Madam Speaker, I for my part have a problem that is just as serious, and that is to have my children educated in my own language.

Some Hon. Members: Hear, hear.

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, the proposed resolution leads us to examine the constitutionnal guarantees concerning minority language educational rights. As we know, these guarantees are defined in section 23 of the Charter of Rights and Freedoms enacted in 1982. The Member for Notre-Dame-de-Grâce (Mr. Allmand) calls upon the Government to amend the Charter and calls upon Quebec to do the same.

I will not discuss the possible response Québec may give to such a request. However, I would remind you of the will of that Province to deal first and foremost with the question of Meech Lake, and of the Federal Government's commitment and that of all other Governments

to wait for a second round of constitutionnal negotiations before passing to other questions. Besides, I doubt the Hon. Member's motion distinguishes between the first and second rounds of discussions.

In substance, I would say that section 59 is only one aspect of the problem concerning the right to education in the language of the minority. Most Canadians would say that the real problem lies in the difficulty French-speaking Canadians outside Quebec encounter when trying to have their Provincial Government respect the rights guaranteed them by the Charter in that matter.

Quoting a study made for the Commissioner of Official Languages, the newspaper *La Presse* of March 6 stated that in English-speaking provinces, only 56 per cent of children aged 6 to 17 who have a right to schooling in French under section 23 of the Charter actually do receive that education. On the other hand, in Québec, all young people from 6 to 17 entitled to education in English get it, that is 121,513 students.

Among mainly English-speaking provinces, only in New-Brunswick and Ontario do we see more than half the children entitled to instruction in French under section 23 attend French schools. The proportion is 78.4 per cent in New Brunswick. In Ontario, 68.4 per cent of the children with a constitutional right to French schooling attend French schools. Just the same, these figures reflect a major effort on the part of these provinces' Governments over the past fifteen years in the area of minority schooling.

• (1750)

In the other Canadian provinces, the proportion of children with a right to French schooling who attend French schools does not exceed 12.2 per cent. For that matter, it is 7.3 per cent in Alberta and 5.3 per cent in the Northwest Territories.

These figures clearly illustrate one of the major flaws of our Charter in the area of educational rights. It is found in Section 23(3)(a) which expressly provides that the right of Canadian citizens to have their children receive instruction in the language of the minority.

> applies wherever in the provinces the number of children of citizens who have such a right is sufficient to warrant the provision of them out of public funds of minority language instruction.

That is the infamous "wherever the number warrants" clause which has been so much discredited by all Francophones outside Quebec since 1982.

Under this clause, several provinces with English speaking majorities have been able to limit and continue to limit the instruction services provided to their minorities. In several cases, their French speaking minorities have had to spend a lot of money and wait quite a long time to appeal to the courts to have their needs for French teaching institutions recognized on a case per case basis. As a matter of fact, there were appeal procedures instituted in British Columbia, Alberta, Manitoba, Nova Scotia and New Brunswick.

The situation in Québec is altogether different. That province has never tried to benefit from this law in Section 23 to deny its English speaking minority its right to receive instruction in its own language, no matter the number of pupils or their distribution over the territory.

This situation caused newspaperman Don MacPherson to write in an article published on March 1st in the *Montreal Gazette* the following statement, and I quote:

[*English*]

> Quebec respects the spirit as well as the letter of the Charter on minority education—In Quebec, the number that warrants a minority language education is one.

[*Translation*]

To make his point, Mr. MacPherson indicated that the School Board of the Lower North Shore operates an English school with two teachers for a total enrolment of fourteen pupils. He indicated also that half of the $40 million which the Quebec Government allocates to support small schools goes to the English sector.

And Mr. McPherson to conclude, and I quote:

[*English*]

> Wouldn't it be a neat trick if, in the next round of constitutional negotiations, Quebec challenged the other provinces to follow its example—and proposed the abolition of the 'where numbers warrant' clause?

[*Translation*]

If the House is to deal with minority language educational rights, should it not address this side of Section 23? The elimination of the "where numbers warrant" clause is one of the resolutions which the Liberal Party of Canada adopted during its 1986 Convention. Yet, I do not believe that matter of the Section 59 was mentioned there.

The Hon. Member's Party voted also in favour of the minority language educational right being defined to include the right to administer these institutions.

The current situation has again compelled minority groups to appeal to the courts to have this right recognized, especially in Ontario. And this other amendment to Section 23 would have the support of the Quebec Government, of Francophones outside Quebec and even Alliance Quebec. Other such reforms might be looked into.

Things may not be easy for the Québec English speaking minority. According to the last report tabled by the Official Languages Commissioner, small English speaking communities outside Montreal are having difficulties getting provincial services in their own language, while the English speaking community is suffering from under-representation in the Québec public service. But we can see progress has been made.

With Bill 142, Quebec is trying to make social and health services in English more readily in most of its regions.

Following the new Official Languages Act, the federal government is discussing with Quebec the possibility of increasing federal funding in that area.

With regard to education, Quebec's seventh English CEGEP opened in Hull in October.

Quebec has also tried once more to change its education system in order to create school boards based on language instead of denomination.

As seen in the report of the Commissioner of Official Languages, several opinion leaders, both French and English-speaking, acknowledged that a system based on language criteria would be more suited to the needs of a declining minority group scattered throughout the province, by bringing together the resources of both Catholic and Protestant English schools.

Such a system would also encourage parents to take part in the management of their children schools.

This reform however will not be possible before the courts rule on its constitutionality. Under section 93 of the Constitution Act of 1867, the Quebec school system must respect the rights of individuals to denominational schools. So, we might not be able to bring English-Catholic and English-Protestant students in the same schools even if everyone agrees that would be beneficial to minorities.

So here is another constitutional reform that the Hon. Member and this House could tackle if we had to deal with minority language educational rights. I would go as far as to say that it could be very difficult to support such a partial and isolated reform as proposed by the Hon. Member without considering also the application of the legislation where numbers warrant, the rights of institutions to manage their own affairs as will as Section 93, specially in view of the relative viability of the educational situation of the minority in Quebec compared to the situation in other provinces. The francophone minorities outside Québec could find it insulting if the House gave in to the Hon. Member's request without any concern about the more urgent problems facing thousands of children and parents.

Madam Speaker, I hope the House will give proper consideration to my remarks.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, in the short time that is left I would like to support the motion put forward by my colleague, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand). The purpose of his motion is to give support to the principle of attempting to right an historic wrong. I believe it is a noble privilege and duty to be able to fight for the right to correct that wrong.

Rights are rights, when one is English-speaking or French-speaking anywhere across this land. I want my grandchildren educated in French here in Ontario. If they choose to return to Quebec, which I hope they do, and if they choose to have their children educated in English, which I hope they will not, they should still have that right to choice. The whole point is the right to choice—not whether one is English-speaking or French-speaking in Quebec, but the right to make an enlightened choice.

If I were today making an enlightened choice I would choose to go to school in French in Quebec. But do not impose it on me, Madam Speaker. That is the point behind the motion to abrogate Section 59 of the Constitution Act. No Constitution should have an exclusion based on one's language of birth or one's language of choice. It should be an option that everyone should be allowed to take.

Adjournment Debate

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis.

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker,—

Mrs. Finestone: You are going to talk it out, you son of a gun.

Mr. Prud'homme: It is not six o'clock. Who is a son of a gun?

Mrs. Finestone: It is 20 seconds to.

Mr. Prud'homme: I hear very well—

[*Translation*]

The Acting Speaker (Mrs. Champagne): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

UNEMPLOYMENT INSURANCE—THE BUDGET—CUT-BACKS IN FUNDING—SOCIAL PROGRAM—CUT IN FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, last November, in the middle of the election campaign, the Minister for International Trade (Mr. Crosbie) speaking in St. John's, Newfoundland said the following, and I am quoting from the *St. John's Evening Telegram*: "The federal Government has no plans to make changes to the Unemployment Insurance Program, Trade Minister John Crosbie said Thursday. It is complete nonsense, he replied to questioning by reporters at the Hotel Newfoundland following a Progressive Conservative rally for Prime Minister Brian Mulroney".

It went on to state the following: "Mr. Crosbie said he asked the Prime Minister about the report, and he said, no, the Government has no plan to make changes to the program. You're damn right I asked him", that is the Prime Minister (Mr. Mulroney) "about it, and he said, no. No one is planning any changes in the Unemployment Insurance Program, said the Minister for International Trade".

That was last November when the Minister for International Trade, a senior Minister in this Government, said that under no circumstances would there be changes or cuts in the Unemployment Insurance Program. Well here we are in the month of April with two serious cuts and changes to the program.

On April 11, the Minister of Employment and Immigration (Mrs. McDougall) announced the redirection of $1.3 billion in the Unemployment Insurance Program to other programs. While $500 million was redirected to improvements in the Unemployment Insurance Program, $800 million was taken away from benefits altogether and redirected to training, to consultation and to labour market planning, things which had always been paid for out of general tax revenue and never paid for with the contributions made by workers and employers to cover themselves during periods of unemployment.

We condemned those changes announced by the Minister because, first of all, they left the unemployed with less coverage during his or her period of unemployment. Second, because they shifted the burden of the unemployed to the provinces, it would be the provinces that would have to help pay for the rent and groceries of those workers during the period of unemployment when they were not covered by unemployment insurance.

Third, we condemned the program because the Government proposed using unemployment insurance money to finance training which is a regressive and inequitable method of financing training. We are all in favour of training, but that is not the way to pay for it.

Finally, we criticized the program because there was no assurance that once trained or retrained that there would be jobs for these workers whether they lived in Summerside, Prince Edward Island or Portage la Prairie. What is the use of training if you do not associate it with an effective program for regional development and for full employment?

We criticize the program for all those things. That was on April 11, when very serious changes were made. Then again last week on April 27 in the Budget, we have the Minister of Finance (Mr. Wilson) announcing that the Government of Canada will withdraw all its financing of the Unemployment Insurance Program. They are going to take out the $1.9 billion that they "paid in" last year. They are going to leave the financing of the program entirely to workers and to employers. In the past, this has

been a three-way financing program. Now the Government of Canada is getting out and leaving the financing entirely to workers and to their employers.

What are we to conclude from all this? We conclude that first of all government Members are attacking the deficit that they have referred to time after time. They are attacking it on the backs of the unemployed. Second, they are attempting to build a level playing field to facilitate free trade with the United States which they said during the election campaign would not be necessary.

I have asked for answers. I have asked for the Government to justify these cuts in unemployment insurance. I have asked how many workers will lose unemployment insurance and to what extent. I have asked the Government to tell us in what region are these workers who would have their unemployment insurance cut. I received no answers.

• (1805)

I asked how these workers who would have their unemployment insurance cut would pay for their rent and groceries. Will the Government let the provinces carry the burden, or will it give them additional money?

Finally, I asked the Minister to justify pulling out the government financing of this program. How does the Government justify pulling out from the financing of this program when the Government of Canada has been helping with the financing since 1941, when it started? We will now have a system that is set adrift and left to the workers and their employers to pay for.

I hope we get some answers to these questions, not for myself and the Liberal Party, but for the people of Canada, who are very concerned about this.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I would like to point out to the Hon. Member that the Progressive Conservative government has kept its promise not to reduce its assistance to the unemployed in view of the fact that the purpose of the measures announced by the Minister of Employment and Immigration (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) is to assist people who lose their jobs. Ten percent of unemployment insurance funds will be applied to the training and retraining of these people. This goes to show that this government keeps its promises.

It is true that, on January 1 1990, employers and employees alone will contribute to unemployment insurance and that the premium will increase by 30 cents for employees and by 42 cents for employers. But it is also true that these will be the lowest premiums paid over the past six years. The Progressive Conservative government has kept its promise.

We must also keep in mind, in relation to unemployment insurance and to all other programs, the enormous deficit created by the former Liberal government. As we have repeatedly mentioned both in the Budget's speech and elsewhere, Madam Speaker, the Government has agreed, should Canadians be faced again with difficult years such as those they experienced in 1980, 1981 and 1982, to contribute to the fund if it should deem it inapropriate to increase the premiums and preferable to allow the unemployment insurance fund deficit to grow, to meet the needs and expectations of both employers and employees.

Finally, Madam Speaker, I should like to emphasize, for the information of the Hon. Member who made these comments, that the Unemployment Insurance Program has been amended for the purpose of improving the economic welfare of Canada, its employees and employers. These amendments have nothing whatever to do with the free trade issue.

You will remember that during the last election campaign, the opposition tried in vain to scare people both in Quebec and the rest of Canada. We are standing behind the statements we made then: There are programs in Canada. There are social programs in Canada which are and will remain different from those in the United States. We have our own programs and we are determined, as a Progressive Conservatine Government, to continue these programs for the well being of and a better quality of life for all Canadian men and woman. Such is the purpose of the amendements to the Unemployment Insurance Program. To conclude, Madam Speaker, I hope that my hon. friend has finally come to realize that we must work for the future of Canada and not try to jeopardize it all the time.

Adjournment Debate

[*English*]

PUBLIC WORKS—DEVELOPMENT OF WELLAND CANAL LANDS—REQUEST FOR PUBLIC MEETINGS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, Public Works Canada and the Welland Canal Development Board presented its final report, entitled "The Old Welland Canal—A Land Use/Marketing Review", at a press conference on April 18, 1989. On April 21 I asked the Minister if he had read the report. I have read the report and have come to certain conclusions. I will also quote rather extensively from a very talented and far-sighted Welland city planner by the name of Stan Neathery.

My position on this document, indeed on what to do with the Welland Canals themselves, is unequivocal. I believe that these lands should be in the hands of the people of Canada and that not one square inch should ever be sold. Perhaps there could be long-term leases, but not one square inch should be sold. In my opinion, the members of the present board are in the majority pro-development and pro-privatization. I believe that for the majority of the men and women on this board the almighty dollar is more important than the needs and desires of the people of my riding.

• (1810)

With regard to the recommendations the report recommends developing 175 acres of Crown lands, and these are divided into 13 "opportunity areas" along both sides of the central and northern sections of the old canal. These lands are now an open space and some of them are already developed as park land.

Some of the recommendations I agree with. The opportunities presented include a camp ground, a golf course and an old building being changed into a restaurant. I agree with these. However, I want all Hon. Members to know that I am unalterably opposed to the building of a hotel, 135 prestige single, detached housing lots and 40 condominium townhouse lots. Some of these are extending from the service road to the top of the canal bank. Others extend from the service road down to the embankment in order to provide required minimum lot depths in compliance with city zoning by-laws.

Some 63,500 square feet of retail commercial space for small shops alongside the old canal are proposed in the downtown area immediately north of the Main Street bridge. I disagree with this. I believe we could use the shops that are already there, update them and let the present merchants benefit from any development.

The land area proposed for sale for development represents a substantial amount of the total Crown land holdings alongside the old canal north of Broadway Avenue. It is suggested that the Crown retain the remaining smaller land areas along the canal and Merritt Island.

An emphasis in the report is that public access, including the current system of walkways and bikeways, will be maintained along the entire length of the canal "to the extent that already exists" and that "maintaining public access has been established to be of primary importance in meeting this objective". However, specific opportunity area plans presented in other sections of the report show development to the top of the canal bank. In these instances it is difficult to understand how this objective is to be achieved.

To elaborate, opportunity area E-3, lands between Chippawa Street and the canal water south of Thorold Road and across from Notre Dame Secondary School is shown to be developed either as 25 single or 40 townhouse residential building lots. The accompanying map which I have studied quite carefully shows the boundary of the area slated for sale and development approximating 13 feet from the water's edge. However, the average horizontal distance from the top of the bank to the canal water's edge is 30 feet on a steep slope. Accordingly, it is difficult to understand just how "public access has been maintained throughout to a minimum depth of 33 feet".

Further, to maintain a public access area of 33 feet wide in opportunity area E-3 would take up half the land area to be sold and developed. The report estimates total development costs for all the opportunity areas to approximate $36.2 million—$35.2 million in construction and $1 million in servicing. In addition, one section of the report estimates that the development of the canal lands would generate $115.9 million in direct and indirect expenditures. It estimates that 2,680 new jobs would result from the development of the canal lands: 1,456 direct and the remainder indirect. However, a later section of the report states that total direct and indirect expenditures would equal $81.6 million, and only 1,882 direct and indirect new jobs would result. These are significant discrepancies, which should be explained.

• (1815)

Although the report did not specify the types of jobs generated by the canal lands development of the various opportunity areas, it is believed that a major portion of these jobs would be construction related. I believe many of these jobs would be seasonal.

The estimated taxation impact of the development of the canal lands is estimated in one area at $491,625 per year; but in a later area it is $381,375, a discrepancy of 22 per cent.

To summarize, it seems to me: (1) that sufficient public access alongside the old canal is not guaranteed; (2) that a significant amount of existing Crown parklands alongside the old canal would be sold to private developers; (3) that there appear to be discrepancies in the amount of dollars that would be generated in the local economy as a result of the proposed sale and development of the canal lands.

I denounce this report as being unacceptable to the majority of the people in the Welland—St. Catharines—Thorold riding. Surely it is not worth anywhere near the $30,000 it cost to produce it.

Mr. Bill Kempling (Burlington): Madam Speaker, in 1973 the St. Lawrence Seaway Authority completed the construction of a bypass canal around the city of Welland. Subsequently, in 1974 the Seaway Authority transferred to Public Works Canada the ownership and management of 317 hectares of residual canal and adjacent federal lands that bisect the city center. The property consisted of 45 hectares of water, 150 hectares of spoil piles, and a 45-hectare island between the canal and the river, known as Merritt Island, with the canal banks varying in width from 20 metres to 200 metres.

In the fall of 1979 the Minister of Public Works visited Welland and later appointed a local citizens advisory committee, the Welland Canal Advisory Group, to advise on the development and long-term management of the lands.

In 1984 the advisory group was replaced by the Welland Canal Parkway Development Board, with a revised mandate. The board was charged with advising the Minister on matters pertaining to the redevelopment of the lands using alternative sources of funding, including private-sector financing and entrepreneurship, and developing a long-term management and operating plan for the canal lands that would best represent the interests of the Crown and the municipality.

Since 1976 the department has spent over $20 million in capital, operation, and maintenance grants in lieu of taxes. Much of the area is fully landscaped and actively maintained, consistent with the standards practised by the National Capital Commission and the Niagara Parks Commission. In 1988 the department spent approximately $350,000 on operation and maintenance and $465,000 on grants in lieu of taxes.

In a news conference on April 15, 1988, the Chairman of the Welland Canal Parkway Development Board, the Mayor of Welland, and the local Members of Parliament announced the approval of the Minister of Public Works to commission a consultant to undertake an independent land use study. Specifically, the study was to identify potential recreation and residential and commerical land development opportunities supported by economic viability. The final report was submitted to the department on April 14, 1989. A news conference was held on April 18 at which the Member of Parliament for Erie (Mr. Fretz) announced the completion of the study.

The study has identified a number of potential recreational, residential, and commercial opportunities along the waterway that could complement adjacent land uses.

• (1820)

Preliminary economic analysis reveals that some of these are viable as short-term options, that is for three to five years, while others would be safer ventures in the medium and long term, that is from five to ten years respectively. In addition, new employment, additional tax revenue and development money could be generated for the City of Welland.

In the upcoming weeks, Public Works Canada will be soliciting comments from the citizens of Welland through information booths and special briefings to various local interest groups.

The Department has also extended an invitation to the City of Welland to establish a working group between the city and Public Works Canada. The purpose of the group will be to address each of the opportunities identified in the consultant's report and develop a specific action plan which will benefit the City and the federal Government. May I say again that the disposition of these lands will be made in full consultation with the people of Welland.

The Regional Municipality of Niagara, with the assistance of the Canada-Ontario Tourism Subsidiary Agreement, has also just completed a study of the whole Welland corridor of which the Public Works lands is a part. The object of their study was to look at the tourism potential and the opportunities of the area.

The Minister gave an assurance in this House on April 21 that the consultants engaged by Public Works Canada were hired only to identify potential development opportunities. The Minister emphasized the word "potential" and gave the Hon. Member for Welland—St. Catharines (Mr. Parent) the assurance that there will be full consultation with the City.

Mr. Parent: And me.

Mr. Kempling: And you.

IMMIGRATION—LEBANON—PLIGHT OF REFUGEES—CONSULAR SERVICES IN CYPRUS—UNITED NATIONS HIGH COMMISSION ON REFUGEES—REQUEST FOR EMERGENCY MEETING

Mr. Sergio Marchi (York West): Madam Speaker, it is a pleasure to address this full House this evening on a question that I had an opportunity of asking the Minister and the Government back on April 20.

The question pertained to the issue of Lebanon, which for the last 15 years has never seen as fierce fighting and as fierce an escalation in the war torn zone, producing very horrible results and producing refugees and homeless people in a number that is indeed very worrisome.

We in the Liberal Party had asked repeatedly in the House both the Minister responsible for immigration and the Secretary of State for External Affairs (Mr. Clark) to establish, at the very earliest, a full consular immigration operation in Cyprus, because the very large and proud Lebanese Canadian community in this country wanted to extend an invitation or a sponsorship to families and friends back in Lebanon who wish to escape the very horrific scenes we see on our television sets day in and day out.

The problem was the inability and the inaccessibility of people in Lebanon to get to a Canadian office in order to complete the necessary applications and forms.

We have a full operation in Damascus, Syria, but because Syria is one of the antagonists in the war we could hardly imagine whether people, particularly of the Christian faith, would venture into Damascus, Syria. Therefore, we had asked for a full consular operation in Cyprus.

The Government finally responded to those calls by saying that it was going to send one official to Cyprus in order to process those applications.

It is our contention that one official is not only unfair but indeed misleading if we are to look at the long-term solution. At the very least, we are in need of a temporary full operation so that those who wish to come to Canada and elsewhere may have a hope and a chance of doing so. It is our contention that sending one official is clearly not addressing the magnitude of the problem.

On a secondary aspect we asked this Government to initiate an emergency meeting through the offices of the United Nations High Commission on Refugees which informed me that it only had a skeleton staff of three people in Lebanon to try to deal with the magnitude of the problem.

We suggested in Question Period, because we are members of the UNHCR, that clearly Canada can exercise some leadership and ask the UNHCR to beef up its representation in Lebanon so that not only Canada will try to help those who wish to flee and to reunite families in this country, but that other countries across the globe through the efforts of the UNHCR can share and participate in removing people from a place in the world that is completely tortured and, as I said at the outset, has seen fighting not previously seen for the last 15 years.

[*Translation*]

Therefore, Madam Speaker, I hope the Government will offer a real solution to Lebanese-Canadians because a single immigration officer in Lebanon is neither a true nor a fair solution. Our party thinks that we need a full-time immigration consular operation staffed with six or seven employees who could answer inquiries from parents, relatives and people in Canada who are willing to work but who want to leave Lebanon because of the terrible situation experienced by everybody in that country today. I think that the Canadian Government could continue to play a very significant role by setting an example for other countries to follow. But I think having a single immigration official, in Cyprus for example, to process applications is simply not a real solution.

Therefore, Madam Speaker, I hope the Parliamentary Secretary will propose a fairer and more efficient solution and I hope to get that answer today.

• (1825)

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I know Lebanon quite well. When I first went to Lebanon it was the jewel of the Mediterranean. It was a great place for a vacation. It was a banking centre. After visiting other countries it was great to get to Lebanon. The last time I was there I think our aircraft was allowed to land and refuel and we had to take off immediately. We could not even go into the city.

I welcome the opportunity to expand upon the reply given by the Hon. Minister of State for Employment and Immigration (Mrs. Vézina) to the Hon. Member for York West (Mr. Marchi) on April 20.

Canada has had special measures in effect for victims of unrest in Lebanon for some time. This special program for Lebanese, which remains in effect, allows relatives in the assisted relative category to be sponsored for immigration to Canada under a relaxed criteria. In 1988 over 800 Lebanese were admitted to Canada under this program. Since 1973 we have admitted over 15,000. As the situation in Lebanon remains unpredictable, it will be monitored by officials of the Department of External Affairs and adjustments to immigration services will be made accordingly. In other words, if we find it is getting more difficult and there are more applications we will adjust our people there accordingly.

The U.N. High Commissioner for Refugees has not considered this issue a refugee movement at this stage. We are in contact with his representatives in the area, and this could change. The main immigration office for the area is in Damascus, and continues to provide service to the people from Lebanon who are able to get through. But I can see that is a very difficult thing to get through, particularly if you are a Christian going through the Bekaa Valley to try to get to Damascus.

Similarly, the Canadian visa office in Cyprus has been able to meet the demand for immigration services there. For those already outside Lebanon, Canada has an honorary consul in Cyprus and there is presently an immigration officer in Nicosia who is providing immigration services and he has several civilian assistants to help him.

A special courier service has been established between Damascus and Nicosia. Lebanese who have completed visa formalities may collect their immigration visa in either city. A Lebanese may also approach any other Canadian mission in order to apply for immigration under the special Lebanese program.

For the moment, therefore, we believe Canada is providing good service to those who can leave Lebanon and qualify under the terms of the special measures. We shall continue to assess the developments in the event that additional issues emerge and a greater level of service is required.

We thank the Hon. Member for his continued interest in this matter.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, May 3, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AEROSPACE INDUSTRY

JOB LAY-OFFS AT DE HAVILLAND—BOEING LAWSUIT

Hon. Bob Kaplan (York Centre): Mr. Speaker, it has just been announced that 700 jobs are being cut from the workforce of the de Havilland STOL aircraft plant in my riding at Downsview, Ontario. This is our major employer and a big part of Canada's aerospace industry.

Although the company claims that attrition can cover these jobs, the local union, Local 112 of the Canadian Auto Workers, tells me that this is impossible.

Since the Government sold the company to Boeing of Seattle there is less that it can do on behalf of Canadian workers. I call on the Government to review the lay-off decisions, no doubt made south of the border in Seattle, to defend these jobs and to assist employees who are affected.

We also have news of Boeing's $110 million lawsuit to cover false representations by the Government of the Prime Minister (Mr. Mulroney) on the sale involving safety and health conditions. If Boeing is successful, since the company was sold for $90 million, the result will be that Boeing gets the company from the Canadian taxpayers free.

I submit that the Government should have known of the safety and health conditions since every worker in the plant knew of them. The Government is responsible for this give-away.

THE BUDGET

TAX AND CHILD CARE PROVISIONS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I wish to bring to the attention of the Minister of Finance (Mr. Wilson) and this House the blatant unfairness of the income tax provisions and lack of child care provisions in this Budget for a single working mother in my riding of Mission—Coquitlam.

This woman who earns $1,400 per month has expenses in excess of $2,100 per month. She currently receives the family allowance of $65 a month and child support of $400 a month, yet she is $200 short at the end of the month. Her largest single expenditure is $850 per month for the care of her children while she is at work.

How is it that the Government claims that its tax and child care provisions are fair, yet this woman and thousands like her are being penalized by the unfairness of the Income Tax Act and by child care being put on hold? She is not looking for charity. She is demanding fairness.

I call upon the Government to act immediately to redress this unfairness. I also call upon the Government to put real fairness in the tax system and acknowledge that working people of the country are being driven into debt by its taxation and child care policies.

* * *

[*Translation*]

SOCIALISM

PRIVATIZATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, while the provincial and federal governments are selling their companies to private enterprise, to the socialists' great despair, communist countries are doing the same thing. But there, Mr. Speaker, it is even worse. They want to sell to foreigners. The Hungarians have just offered the Germans 53 companies, including large steel mills. The Germans are demanding guarantees, because to make these money losers pay, massive lay-offs will be necessary. Mr. Speaker, the Canadian NDP should give us such news from time to time.

S. O. 31

[*English*]

HUMAN RIGHTS

VISIT TO OTTAWA OF YULI KOSHAROVSKY

Mr. Bill Attewell (Markham): Mr. Speaker, Yuli Kosharovsky first submitted his emigration application to leave the Soviet Union in 1971. A radio engineer, Kosharovsky was not allowed to work in his profession after he applied. He held a number of jobs, including those of night watchman and manual labourer.

Yuli's wife Inna is a mathematician with a degree from Moscow State University. She too was prevented from working in her field.

Because of his active involvement to spread Jewish culture and to teach Hebrew, Yuli was branded a traitor. As recently as 1987 when I met Yuli in Moscow, it was stated in a leading Moscow paper that he would never be allowed to leave, for reasons of state secrecy.

However, late last year, Yuli's prayers were answered. He and his family were granted exit visas and they arrived in Israel on March 12, 1989. Their 18-year struggle is over.

Mr. Kosharovsky is in Ottawa today to share his experiences and to urge the Canadian Government to continue to pressure the Soviet Union to live up to its human rights obligations.

* * *

HOUSE OF COMMONS

TRIBUTE TO RIGHT HON. JOHN TURNER

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it was my intention to speak about the way in which the Budget has had a devastating effect upon my own riding and upon western Canada. However, with the announcement today of our Leader's resignation, I want to take this opportunity to say something in a personal way about the man I have known for over 25 years in public life.

Over that time he has been for me a great teacher and mentor, especially about this House of Commons and about the meaning of Parliament in Canada. As a Member of Parliament from western Canada he has spoken well and effectively about the interests of our region. Particularly as Leader of our Party he has fought to preserve the independence of the country, and in the last election it was with great pride that we served with him.

As a friend and associate he will be missed. As a person who can give us the real sense of the House of Commons he will be missed. As a Member from western Canada he will be missed. As a national Leader he will be long remembered for the fight and choice he gave Canadians back in November 1988.

* * *

• (1410)

THE ENVIRONMENT

TRIBUTE TO MEMBERS OF POWER

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I rise today to pay tribute to a group of citizens who have been working tirelessly in the name of a supreme issue, that is, the environment.

These volunteers who have come together under the banner of POWER which stands for Protect Our Water and Environmental Resources, have recently been named citizen of the year by the Acton Chamber of Commerce.

Members of POWER, which include Ruth French, Ken McGregor and hundreds of others, have succeeded in raising public awareness of key environmental issues.

These citizens know the future lies in recycling, recovering, reusing and rethinking the way we treat our environment.

They oppose further landfill sites, particularly the establishment of one in a dangerous quarry location with the potential to pollute the groundwater for thousands of people in my riding. I stand behind the citizens and these environmentalists.

* * *

FISHERIES

B.C. INDUSTRY

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, today in Vancouver there is a gathering of people whose livelihoods depend on the B.C. fishing industry. This rally is to protest the new Conservative regulations which will gut the Canadian industry of its fish and its jobs. New Democrats support those workers.

Our fishing industry has never been threatened like it is today. American interests want our herring, want our salmon and want our jobs.

Over the last three years, the current Minister of Fisheries and Oceans (Mr. Siddon) and the former Minister for International Trade made repeated promises to this House that Canada would fight the U.S. complaint to GATT, that B.C. fish would be landed, inspected and gutted in Canada, and that Canadian natural resources and Canadian jobs would be protected.

None of those promises were kept. Those Ministers and the Prime Minister (Mr. Mulroney) have sold out the B.C. fishing industry to the Americans. The Americans are still not satisfied. They feel that the landing requirements would bruise their fish. The Americans already believe they own our fish.

Where are our rights to grade our fish and to gut our fish, our rights to Canadian resources, and our rights to our jobs? Americans must not be allowed to steal our natural resources with or without the connivance of the Prime Minister.

* * *

[*Translation*]

THE CONSTITUTION

LIBERAL POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Liberal Member for Ottawa Centre (Mr. Harb) applauded a decision to reduce Department of Transport expenditures by some $200 million, thereby contradicting his caucus.

Certainly, the Liberals have never understood Canada and never will. That explains their increasingly negative position on the Meech Lake Agreement.

In their caucus, the Liberals do not even agree on the National Capital Commission, the Ottawa-Hull region, which is only a part of Canada. How will they be able to agree on a national consensus on the Meech Lake Agreement?

* * *

TRIBUTE TO JOHN N. TURNER

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I am proud to have represented the new riding of Carleton—Gloucester since last November. It is also an honour for me to represent part of the riding formerly represented by the Right Hon. John Turner.

A man of courage and integrity, he devoted his energies to his country's business.

[*English*]

As a Member of Parliament representing ridings in Québec, Ontario and British Columbia the Right Hon. Member for Vancouver Quadra (Mr. Turner) served his electors and all Canadians with great enthusiasm and determination.

As defender of the unity of Canada, he was a courageous, decent person and a true Canadian. The future will prove that the Right Hon. Member should have been our present Prime Minister.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

IMPROVEMENT OF SYSTEM

Mr. Gilles Bernier (Beauce): Mr. Speaker, I want to give the people in my riding who are now receiving unemployment insurance benefits or who may do so in the future that the Government will continue to help those who lose their jobs.

The improved system will take into account the dynamic nature of our regional economy. The Unemployment Insurance Program has simply been adjusted to the vitality of our regions. The old system was obsolete, Mr. Speaker. We are now adjusting to the economic situation as it is today.

The entrepreneurial spirit of the people of Beauce has already created many jobs, and the Department of Employment and Immigration will provide retraining and skills upgrading for those who need it. An additional $800 million has been earmarked for retraining. The new formula is still just as generous for benefit recipients. Benefit amounts have been maintained. It makes good sense to adjust the Unemployment Insurance Program to the economic circumstances in Beauce and elsewhere. Contributors to the Unemployment Insurance Fund will realize that the new system will be fairer, more equitable and more effective.

Furthermore, as the Member for Beauce, I intend to defend the interests of all those constituents who are receiving or who will receive unemployment insurance benefits.

Tribute to Right Hon. John Turner

[*English*]

Mr. Speaker: In view of announcements that were made this morning, we are going to hear members of all Parties with respect to the announcement of the Right Hon. Leader of the Opposition.

I first of all call upon the Deputy Prime Minister.

* * *

[*English*]

LEADER OF THE LIBERAL PARTY

TRIBUTE TO RIGHT HON. JOHN TURNER

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I rise today on behalf of the Prime Minister (Mr. Mulroney), the Government of Canada, colleagues here in the House, and all members of the Progressive Conservative Party to pay tribute to my friend, the Right Hon. Leader of the Opposition (Mr. Turner) who just this morning has announced his intention to resign as Leader of the Liberal Party.

As we watched the right hon. gentleman over the past week, and despite Ottawa being awash with rumours of an impending resignation, many of us on this side of the House had come to the conclusion that maybe he was going to put it off until the next time February 29 rolled around. I guess, as usual, his good sense and good judgment prevailed, and he did what he considered to be the right thing this morning.

It is at times like this when this institution, the House of Commons, demonstrates that it is a very special place, a very unique place. As a gentleman whom the right hon. gentleman admired so much, the Right Hon. John George Diefenbaker, used to say on various occasions like this one, "Parliament lives".

Today we recognize that it is truly a living institution and that it always rises to the occasion, for it was just yesterday that the right hon. gentleman engaged in a very vigorous debate as is his responsibility as Leader of Her Majesty's Loyal Opposition and today we are here in this House to set aside our differences and pay tribute to him as a distinguished parliamentarian and as an outstanding Canadian.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: As a parliamentarian he has indeed had a long and remarkable career. He was first elected to the House of Commons in 1962 and re-elected on seven different occasions. It was during this time that he served ridings in three different provinces, the provinces of Québec, Ontario and British Columbia. As one who has known the right hon. gentleman for over 20 years, I have always admired his respect for this institution, his desire to preserve its integrity to ensure that the uniqueness and integrity of this institution be preserved as the basic pillar of freedom and democracy in this Canada of ours.

He did so frequently, he did so eloquently, and he did it with vigour, while at the same time he used those parliamentary instruments to his advantage and to his Party's advantage in the best parliamentary tradition.

I think it is fair to say that the right hon. gentleman had an intense respect for all Members of the House of Commons. I remember that when I came here as a back-bencher he was the Minister of Justice. He always tried to respond to the questions that were asked and he always considered the requests of MPs as a priority.

In government he held many portfolios which reflected his broad interests and his abilities—Registrar General, Minister of Consumer and Corporate Affairs, Solicitor General, Minister of Justice, Minister of Finance, and Prime Minister. That is a record that all Hon. Members I am sure would agree has been matched by few.

• (1420)

Above all, I am sure that it is fair to say that all Canadians admired his tenacity and strength of character as he fought in difficult and trying circumstances for what he felt was the interests of his Party and for his vision of Canada. His life outside this theatre and outside politics was equally distinguished. As a Rhodes Scholar, a prominent and successful lawyer and as a businessman, he brought the same characteristics he displayed in the House of Commons to the other facets of his life.

We note with some satisfaction as well that he was a noted author. He wrote a book called *The Politics of Purpose* wherein he talked about the exports of water, something which came in quite useful during the free trade debate from time to time. John Diefenbaker said: "Never write a book until you are almost through. It will come back to haunt you".

In the best spirit and in keeping with the best parliamentary tradition, on behalf of the Prime Minister, the Government, my colleagues and our Party, we extend to the right hon. gentleman, his wife Geills and his family enjoy what will obviously be a less hectic and more relaxing pace. We wish you well, Sir.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, when I held a rather innocent press conference a few weeks ago, I had no idea I would be setting a veritable trend, and I do not know where the Prime Minister (Mr. Mulroney) is but I am sure we will learn about that later today.

More seriously, I am absolutely delighted to join with the Deputy Prime Minister (Mr. Mazankowski) on behalf of my colleagues to pay tribute to a very distinguished parliamentarian and a very exceptional Canadian.

[*Translation*]

The Right Hon. Member has served as Minister of Consumer and Corporate Affairs, Minister of Finance and Minister of Justice. He has been Solicitor General, Leader of the Opposition and Prime Minister of Canada.

As Minister of Justice, he sponsored the reform of the Criminal Code.

As a New Democrat, I cannot truthfully say that I always agreed with him when he was Minister of Finance. In fact, those instances were few and far between. However, even during that period he made a number of good suggestions and on one occasion increased pension benefits.

[*English*]

Among the many attributes of the Hon. Member for Vancouver Quadra, for Hon. Members who have known him as have the Deputy Prime Minister and others, myself included, going back 20 years, a very special attribute, to use a phrase that he has used himself about others, is that the Hon. Member is very much a House of Commons man.

For me, there are two special connotations to that phrase. One is a person who has recognized the importance of the traditions of parliamentary democracy and, more relevant, has understood those traditions and has understood that they have not been perpetuated over time as mere ornaments but because they have given substance to our Parliament in terms of their application to real life democracy in this country of ours. He has well understood that, and I want to pay particular tribute to him as a Minister when he understood that in replying to questions from this side of the House, as Prime Minister, and as Leader of the Opposition. He was an exceptional Member of Parliament who, perhaps more than any other Member during my time, has both understood and respected those parliamentary traditions.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The second aspect is that it is a very human attribute. The man we are honouring today has not only been vigorous in debate, has not only well understood parliamentary traditions, but has well understood something that some of us tend to forget from time to time, that debate is important, that the expression of ideological and philosophical differences is very important and that is why we are here, but at the same time, he has had a great capacity for recognizing the independent dignity and worth of each Member of the House of Commons, regardless of his of her Party affiliation. It is important, he has expressed without necessarily saying it, to have vigorous partisan debate, but it is equally important to recognize the human dignity of each Member of this House beyond those partisan considerations.

[*Translation*]

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the first time the Right Hon. Member ran for the leadership of the Liberal Party, he cut a dashing figure as the anti-establishment candidate. This augured well for his future in his Party and his country. As the Leader of his Party, he has demonstrated what he so aptly said a few weeks ago after my own announcement, that politics is a tough game but an honourable calling.

[*English*]

His special qualities were evident for all to see in the House and outside the House when in spite of intense back pain he waged an exceptionally vigorous campaign during the recent election for the kind of independent Canada he so evidently believes in. Instead of adversity weakening him, it simply deepened his resolve.

On behalf of my colleagues, I salute a decent man, a serious politician. We wish him, Geills and the family well. Good luck in the future.

Some Hon. Members: Hear, hear!

Tribute to Right Hon. John Turner

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on behalf of my colleagues in the Liberal caucus, and I think on behalf of Liberals all across this country, to pay tribute to a great Canadian and a great parliamentarian, our Leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner). Today, Mr. Speaker, we thank him for his courage, his integrity, his ability and for his deep feelings for Canada. All of these have enabled him to give leadership, not just here in the House but across the country, in the fight for the kind of Canada he and we believe in, a sovereign, independent Canada, able to define and apply its own values of caring and concern for all of its people.

• (1430)

This battle did not end with a full victory for us under his leadership. But we believe it is not yet over. His commitment and his courage will inspire us to continue that battle until it is won.

On a more personal note, all of us, especially myself, appreciate his friendship and his encouragement. We also recognize his very distinguished parliamentary career which saw him, as Minister of Justice, take important steps in law reform, which saw him as Canada's first Minister of Consumer and Corporate Affairs, which saw him as the Minister of Finance who began the concept of indexing of pensions and personal income tax, so important to Canadians today.

We pay tribute to the Leader of the Opposition today. We thank him for all he has done, and we wish him and his family happiness, health and contentment in the future. But we recognize with satisfaction that he will continue to lead us here in the House and across the country for some time yet with vigour and enthusiasm. We say to the Leader of the Opposition, we, your colleagues and friends, thank you for how far we have travelled together on the road to a better Canada. We say to him, thank you for the example of courage and commitment which will help us to continue to move forward.

[*Translation*]

Mr. Speaker, we say thank you for the encouragement, dedication and above all the courage of the Leader of the Opposition. And we can assure him that the battle will continue.

[*English*]

Some Hon. Members: Hear, hear!

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, there is not perhaps very much one can add to the words of tribute that have been accorded to the Right Hon. Leader of the Opposition (Mr. Turner) here today, but I think it would be fitting that one of his colleagues from British Columbia says a word of appreciation for the friendship that we have enjoyed together over many years.

I got to know the right hon. gentleman quite early. When I came here in 1972 he was the Minister of Finance and I recall my first question being directed to the right hon. gentleman. All of us who have gone through this experience know the nervousness and excitement that is associated with such a debut. Of course, my question was overly long and was perhaps a little too smart, and the Speaker cut me off. I was terribly embarrassed. I noticed that the right hon. gentleman sort of had a deep feeling for me, and he was kind enough—I never told him this because I never wanted him to feel that I was obligated to him—

Some Hon. Members: Oh, oh!

Mr. Oberle: —to take the time, Mr. Speaker, to wait until I left the House to move outside and meet me there. He congratulated me on my first question and wished me well. I have never forgotten that.

I got to know him better a few years later when, as fate sometimes plays tricks on us, we found ourselves in Labrador on a fishing trip next to a stream. The aircraft that brought us there and was to bring us back got into difficulty, and the right hon. gentleman fell in the river. We one had one fish, and his boots were full of cold water. The night was wearing on and we were in desperate straits. He has been telling the story around the country that he saved my life because fortunately he did have the matches that helped us light a fire, and he did catch the fish and had the libation that carried us through half the night.

Some Hon. Members: Hear, hear!

Mr. Oberle: Of course, I never told anyone that I saved his life because of the reaction I would have gotten from some of my friends on this side of the House, and even some on the other side.

Some Hon. Members: Oh, Oh!

Mr. Oberle: The longer one serves in this institution, the more one discovers that it is just as difficult to leave politics as it is to get into it. It requires just as much courage to make the decision that the right hon. gentleman has made today, as to decide to get into politics and make the sacrifices that are associated with it.

I assume of course that the right hon. gentleman will move home to British Columbia and that he will contribute to the life and the progress of our province in his later years.

I want to say to him on behalf of all his friends and colleagues here in the House from British Columbia, and in fact on behalf of all British Columbians, thank you for the contribution you have made to Quadra, to our province, to the country; and to your family, all the very best in the future.

Some Hon. Members: Hear, hear!

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I had to give some serious consideration as to measuring my words about retiring politicians considering my own circumstance. One could say, upon listening to the words said to a retiring politician, that they are blandishments to return. If indeed this is the case with the Leader of the Opposition (Mr. Turner), I would second the motion. The Leader of the Opposition has been a servant of Canada and a servant of British Columbia in a number of particular ways that touch not only me personally, but the people of British Columbia. I want to publicly acknowledge the role that the Leader of the Opposition played in a major controversy at the time between British Columbia and Canada. I will not go into the details, but a decision was made in my office and, on the basis of a handshake, a policy was formulated. Within 18 months of that policy being formulated, it would have been to the advantage of the Government of the day and the Minister, now the present Leader of the Opposition, to go back on that handshake. It would have been understood if he did, but to this day that Member never once has gone back on a deal that he made as representative of the Crown.

Some Hon. Members: Hear, hear!

Mr. Barrett: Mr. Speaker, the Leader of the Opposition is a Member of the House of Commons from the old school. He has a sense of tradition, a sense of proportion and a sense of history. He got it from his mother, who was a great British Columbian, and as the Chancellor of the University of British Columbia was a champion for our province and the people of that province.

Tribute to Right Hon. John Turner

• (1440)

The Leader of the Opposition has served very well in representing his constituency in British Columbia, from a political point of view, only too well. But beyond that, Mr. Speaker, I value his personal friendship, I value his historic and sincere commitment to the Province of British Columbia, but more important, as a Canadian he saw British Columbia as part of Canada. He will be a great loss not only to British Columbia but to this Chamber.

Some Hon. Members: Hear, hear!

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I rise on behalf of the Liberal Caucus and through Caucus, on behalf of Liberals everywhere in Canada.

Today has been an emotional day for all of us. Indeed it has been a day of reflection as we pay tribute to a leader who took on his role in the history of the Liberal Party of Canada with great courage and integrity, a Party that has been among the most successful of political organizations in the free world. However, continued success demands renewal and we began that renewal in 1984. In 1984 some said that, after decades of political success, our Party was destined for oblivion. The last chapter of the Liberal Party of Canada had been written. With all due respect to the Hon. Member for Oshawa (Mr. Broadbent), as recently as last fall a similar prediction was made.

Mr. Speaker, John Turner, by the force of his will, by the depth of his commitment and by the power of his passion turned back those predictions and leaves this Party today a dynamic and renewed organization all across Canada, and for that we thank him.

Some Hon. Members: Hear, hear!

Mr. Tobin: We have a saying in Newfoundland that the measure of a captain is not how well he sails his ship in calm waters, but rather how well he sails his ship through the storm. Martin Luther King, Jr., put it another way. He said: "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."

Leader, on behalf of Liberals everywhere, I am proud to say that notwithstanding the moments of challenge and controversy, and Lord knows there have been a few of them, we were proud to stand with you, Sir, and we thank you for your contribution to Parliament, to our Party, and to the country.

Tribute to Right Hon. John Turner

On March 16, 1984, upon his return to public life, the Right Hon. Leader of the Opposition (Mr. Turner) stated: "I have always believed that every Canadian has a duty to serve our country. Public service is a high calling. It is a way I can give back to my country a small measure of what it has given me—I have no magic wand. I have no instant solutions. But I do make a pledge. I will make whatever sacrifices are necessary. I will devote myself to my country. I will not flinch from the tough decisions. You will know where I stand".

Those are not partisan words. They are the words of a proud son of Canada, and they are a challenge to every single one of us in this place. John Turner has lived up to the standard he set for himself. As Parliamentarians, we would all do well to seek to follow his example. We give our best to his wife, Geills, his family and, of course, to you, Leader.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on Sunday, I had the opportunity to introduce the Right Hon. John Turner in Montreal. I would like to repeat today some of what I said: a man of courage, a man with presence, a great Parliamentarian, as the Right Hon. John Diefenbaker often said—and you know, John Diefenbaker was occasionally right—a man of principles, a man who through all sorts of challenges maintained his commitment to serving Canada, the ideal of Canada, what it represents for all of us, a different country, more free, more egalitarian and more humane.

Mr. Turner, you are deeply attached to Québec, not only because some members of your family still have roots there, your sister Brenda has always lived in Montreal for—dare I say—more than 30 years, but also because you know that Québec's place in Canada is unique and for all these years, you have always acted to guarantee this special position.

A man's strength of character is judged in adversity. I have been a living witness to it. Indeed, your patience, your composure during the difficult storms of these years, 1984 to 1989, and also the courage with which you bore and accepted a difficult physical condition during the last election campaign have earned you the respect and sympathy of all Canadians.

You gave your support to the Meech Lake Agreement and you never wavered in your decision, despite the unfavourable reaction this brought you from many quarters, and for this we thank you. You understood—I repeat—you understood that the Canadian federation is always in the making. For this, we thank you and I thank you.

You began your political career in Montreal in 1962, as Member for Parliament for St. Lawrence—St. George, which helped you to become quite familiar with the distinct character of Montrealers and Québecers.

Mr. Speaker, a politican is never alone in life, and on behalf of all Canadians, I wish to thank his wife Geills, as well as his children Elizabeth, Michael, David and Andrew for sharing him with us. Thanks!

Some Hon. Members: Hear, hear!

[*English*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, you will understand fully when I say that over the years I have found that the goodbyes in this place are far more generous and spontaneous than the hellos.

Notwithstanding, I am very touched by the words of three old friends of mine: the Deputy Prime Minister and Member of Parliament for Vegreville (Mr. Mazankowski), the Member for Oshawa (Mr. Broadbent), and my colleague and friend of 30 years, the Member for Windsor West (Mr. Gray), and particularly the reference to our shared mission in the House of Commons to which I will refer in a moment.

[*Translation*]

I must also thank my colleagues, the members of the caucus, the Hon. Member for Humber—St. Barbe—Baie Verte (Mr. Tobin) as well as the longest serving Member of the House, the Hon. Member for Saint-Denis (Mr. Prud'homme), for their most generous words.

[*English*]

I was particularly touched by what the Minister of Forestry and the Member of Parliament for Prince George—Peace River (Mr. Oberle) had to say, and the Member for Esquimalt—Juan de Fuca (Mr. Barrett). I consider it a privilege to represent our province and I am particularly sensitive to the way they address this House before your Honour.

• (1450)

I am not going to allow the record to stand unchallenged, however. I leave it to you, Mr. Speaker. You understand what it is to seek salmon on both coasts, and I want to tell the Member for Prince George—Peace River (Mr. Oberle) the question before the House will always be: Who had the matches, who killed the salmon, who had the bottle?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Who saved whom? Let it be a warning to any Member who ventures into the outdoors to go properly equipped.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I appreciate that you are allowing me the indulgence of the House. We are interrupting the public time of the country, but before I address a few short matters I want to thank Geills and the family for all the support they have given me.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): I was extremely touched by what all Hon. Members said about the House of Commons, because for me as well as for everyone here, the greatest privilege for a Canadian is to be elected by his or her fellow citizens to the House of Commons. I always told my colleagues, especially the youngest ones: "Be careful, respect others." We must respect the other Members of whatever party because everyone here, each and every one of us, represents Canadians as a result of an election in a highly free country.

[*English*]

This is and remains the forum of the nation. This is the highest court in the land. This is the place where finally issues must be decided.

I know, from time to time, critics and members of the media and those who watch Question Period wonder what we are doing here. Yes, it should be a legislative workshop, as there is business to be accomplished on behalf of the people of Canada. But the word Parliament, taken from the Norman, was well chosen. This is theatre, this is debate. It is the freest Chamber in the free world.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is unruly at times, but it is untrammelled and uncensored, and unpredictable.

I had a very good question from Gail Morris in the press conference today. She asked me my impressions of what had changed during my years here. I think the most fundamental influence, of course, is television as it reflects on the proceedings of the House. I welcome that change. I think we all do. It converts the House of Commons again into a town hall, a forum for the people.

But it has changed the elements of the House. You and I were talking about it, Mr. Speaker. Question Period has become the dominant issue and period of focus of the people as it relates to the House of Commons. I think we should recognize that. Perhaps it should be extended so that all Members of the House, particularly members on the Government side, can participate more fully in it. I think we ought to extend statements pursuant to Standing Order 31 to allow individual Members of Parliament to make their points of view.

I have always felt, to continue the excellent work of Jim McGrath, now the Lieutenant Governor of Newfoundland and Labrador, that we ought to examine whether fewer issues remain issues of confidence so that there is more liberty of expression and freedom of registering our votes in this Chamber.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I think there are ways of maintaining the relevance of this place, and increasing it, because it disturbs me that while the House is full during Question Period, as it properly should be, with Members from all sides of the House, the House is not as full as it might be during principal debates, the Throne Speech, the Budget and debate on second reading of principal pieces of legislation, reflecting the importance of issue we are debating here. There must be ways, under your guidance, that we can re-enhance the relevance of this place. I know how strongly you and I feel about it, Mr. Speaker.

In any event, the Member for Vegreville, the Deputy Prime Minister (Mr. Mazankowski), mentioned the late John George Diefenbaker. I say this not in any pompous way, I hope, but I remind particularly our young Members of Parliament from all sides of the House that Mr. Diefenbaker used to say: "Don't neglect this place, spend your time here. It may take many years to build up a reputation in the House of Commons but you can lose it in one day". That is the importance of this place, and it is one place I am really going to miss.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before we commence Question Period, I should point out that it will continue in just a moment for the usual 45 minutes.

I want to say something to a number of Members on both sides of the House who came to me and would have wanted very much to make an intervention on this occasion in which we have all joined together. It was my decision, of course, to finally say that perhaps, at least for now, we have heard all that is appropriate under the circumstances. As the right hon. gentleman we praised today pointed out, we have the business of the country to proceed with.

I would not remark on this very often, but I want to say to Hon. Members that given the hour there will have to be the absence of some members of the Cabinet because of prior obligations. I hope that under all the circumstances Hon. Members will exercise care and courtesy in not making a point of that.

However, we are running 45 minutes late now. Oral Questions.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASED TAXATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, as you have urged, we will get back to the public business of the country. My question is directed to the Minister of Finance.

Even in this Canada of ours, more than three million people live in poverty. Over one million children live in poverty, 40 per cent of single or widowed women live under the poverty line. When we should be helping to lift our fellow Canadians beyond the poverty line and out of poverty, how can the Minister justify the fact that since he has been Minister of Finance he has raised the taxes of people living at the poverty line by 60 per cent? Meanwhile, those with incomes of $100,000 have had an increase of only eight per cent. What kind of fairness does he think this represents and what kind of vision of Canada does he think it represents?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member will recall that—I do not have the figures right off the top of my head—some 250,000 or 300,000 fewer people are living under the poverty line since we came to office in 1984. We have also introduced a number of changes that respond to the needs of these people. The refundable sales tax credit was something that was introduced by this Government and has been increased in two consecutive Budgets. We have also increased the value of the child tax credit. In a number of ways, we have responded to the needs of these people.

Finally, let me say that through tax reform we have taken 850,000 people who are at the lower end of the income scale off the tax rolls. Again, I think that demonstrates our concerns to which the Hon. Member refers.

* * *

THE BUDGET

CUTS IN HEALTH CARE AND POST-SECONDARY EDUCATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, referring to the Minister's own figures as contained in five successive Budgets, the cumulative tax increase for a couple with one earner, two children, earning $23,600—which is the poverty line—over five years of his custody of the finances of this country has been 60 per cent.

As a result of this Budget, the federal Government will contribute $4 billion less through the provinces for health care and post-secondary education. How can the Minister justify fewer spaces and higher tuition fees for our colleges and universities? How can he justify longer lists of people waiting to get into our hospitals? How can he justify inevitably lower quality health care for Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have responded to questions along those lines in previous meetings of the House of Commons. I say to the Hon. Member, he has chastised me roundly for the increase in the debt of this country in recent years. He knows full well that the only way that you can stop the debt from growing is to get the annual deficit down to zero. I have yet to hear any alternatives from the Hon. Member as to how we will get that debt down to zero.

We have had criticism time and time again of the measures that we have taken, measures that are regarded by many commentators across this country as evenly spread, as balanced in their impact, and what we are trying to do is solve this debt problem so that we can maintain the very programs that the hon. gentleman himself is saying we should maintain.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we recognize, as does the Minister, the problem of the public debt and the annual deficit and what he has contributed to it. We say to him that when he cuts both, "Don't do it on the backs of the weak, the unemployed or the weaker regions of the country or the handicapped." Don't do it that way.

Some Hon. Members: Hear, hear!

[*Translation*]

JUSTIFICATION OF BUDGETARY CUT-BACKS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, more than half of Canada's single mothers raise their children on incomes that are below the poverty line.

How can the Minister of Finance justicy cutbacks that are adding to the burden of families and children, and especially to that of our poorest provinces?

Why didn't he keep his promises to the neediest in this country.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is saying that we are hurting the provinces which are the poorest. We have kept in place the equalization program which goes specifically to the poorer provinces in the country.

Mr. Turner (Vancouver Quadra): There is a statute there you can't touch.

Mr. Wilson: The Hon. Member says there is a statute there, we can't touch it. This House, and as the Hon. Member, a fine Parliamentarian, knows, laws can be changed, but we are respecting the needs of the provinces. We are respecting the needs of the provinces which are in the lower income areas of the country because of the very concerns that the Hon. Member has expressed. In this Budget we are bringing in a large corporations tax which will raise $1 billion, to be paid by large corporations. We brought in a high-income surtax, specifically to put a heavier burden on those parts of the country, those people, those companies that are best able to bear the burden.

Let me repeat, Mr. Speaker, the primary objective of this Budget is to ensure that we can retain the services important to people with lower incomes and who are in the less well off regions of the country.

[*Translation*]

REDUCTION OF SPENDING—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance.

Yesterday, Thérèse Lavoie-Roux, the Québec Liberal Government's Minister responsible for family policy, attacked the Budget of the Minister of Finance, saying it was anti-family. She quoted items that make it an anti-family budget: recovery of family allowance; deindexation of family allowance; cutbacks in spending on health and education; and the new sales tax on new homes that will affect young couples.

Could the Minister inform the House why he brought down an anti-family Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I reject that commentary on the Budget. Family allowance cheques will be received by 100 per cent of the people who are eligible to receive them. That continues. The universal character is maintained. The Hon. Member refers to Established Programs Financing. That, as I said yesterday, will increase by $25 billion over the course of the next five years relative to the last five years.

Finally, his comments are quite wrong as they relate to the cost of housing. We have made a commitment which is repeated in the Budget papers which states that if there is an affordability problem, we will take action to offset that affordability problem. The details will be made known in the next few months.

[*Translation*]

ALLEGED REGRESSIVE FAMILY POLICY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the Minister refuses to understand, refuses to admit that one of the major problems in Canada is our declining birthrate.

The Minister ought to realize, considering what it costs today to raise children, that we need a generous family policy, not a regressive one.

The Minister deindexed family allowance payments, and now he has started to recover those payments, starting at a certain income level. Today, he is going after people with high incomes. Next year, when he needs extra money, he will go down to $20,000 or $25,000.

Could the Minister explain why he did not look at other ways of reducing his deficit instead of going after Canadian families?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the best encouragements for people to start a family and raise children is to have a job and the assurance that that job will be there and will pay more. If people have jobs and are trained as a result of the substantial increase in the moneys that we have made available, these are what are important to families. This will give people the confidence that there is a strong future for them.

Let me remind the Hon. Member—he is shaking his head. I do not think there are many people in the country shaking their heads, having seen a million and a half more people with jobs. I see the Hon. Member nodding. He agrees with me.

Mr. Malépart: No.

Mr. Wilson (Etobicoke Centre): There are a million and a half more people who have jobs today. That situation is giving people the confidence to build and grow and leave a better country for their children.

Some Hon. Members: Hear, hear!

* * *

TRANSPORT

SUBSIDIES TO VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. One hundred and four years ago, under a Conservative Government, the last spike was driven to connect one end of this country to the other by rail. This morning the Minister of Transport delivered the last spike to the heart of VIA Rail by announcing the subsidy restrictions for the next number of years. Will the Minister confirm that the result of the subsidy level for 1993–94 is that VIA will only have sufficient funds to provide for those nine protected services, and therefore will not have the money to operate the Transcontinental, the Atlantic, the Windsor–Québec City corridor and a number of other routes in this country? Will he confirm that that is the result of his decision?

• (1510)

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will not confirm anything which has been said. This morning, I gave some reference levels to the Board of Directors of VIA Rail which correspond to the reality of the finances of this country, something we always have to keep in mind. I totally share the concern of the Minister of Finance. Transport Canada has to consider that also. We have set the new reference levels that the Government of Canada can provide to VIA Rail. Within those reference levels we would like to have proposals or options which will permit not only what the Board of Directors of VIA Rail want, but can afford. I believe that not only this Government but also the Member will have to consider the affordability of what we do in Canada with regard to transportation.

CUTS TO VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): I have a supplementary question, Mr. Speaker. Since 1986 this Government has systematically undermined VIA Rail's ability to improve its service and to reduce the cost to taxpayers. It refused to give VIA the equipment it needed in order to turn it into a modern passenger rail system. It did not give it legislation. It has now fired the President of VIA Rail, who had the guts to oppose this Conservative Government's policy.

Will the Minister go back to Cabinet and say: "This does not make sense. I do not want to be the Minister who goes down in history as having destroyed passenger rail in this country".

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, if my friend wants me to talk about history, I will. It is true that 122 years ago this country was built by transportation—

An Hon. Member: Still is.

Mr. Bouchard (Roberval): Can you listen, please, it is important. The decisions of today will be the past tomorrow. I do not want to give your children and my children a past made up of debts, deficit and inflation. I would not be proud of that kind of heritage for my children.

ENVIRONMENTAL BENEFITS OF RAIL TRANSIT

Mr. Iain Angus (Thunder Bay—Atikokan): When one looks at transportation in this country, one recognizes that from an environmental point of view rail passenger transportation is the most environmentally sound opportunity we have.

Is the Minister suggesting that he is more willing to conserve the dollars and cents of the Minister of Finance than the environmental health of this country by forcing people to drive on highways instead of riding the rails? Is that what he is suggesting to the people of Canada?

[*Translation*]

Hon. Benoit Bouchard (Minister of Transport): Mr. Speaker, I think the point raised by the Hon. Member with respect to the environment deserves futher comment. What we are saying, what we said and what we intend to repeat to the corporation's board of directors, first of all, and to Canadians in general, is that we can no longer afford to invest $650 million annualy in a mode of transportation that is used by 3 to 5 per cent of the population. We must ensure that the modes of transportation used by Canadians have a financial structure that the Government can afford to support. We must not be unrealistic, Mr. Speaker. We can no longer afford what we have been paying during the past ten years in terms of subsidies to VIA Rail.

[*English*]

VIA RAIL—POSSIBLE CLOSURE OF OPERATIONS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is to the Minister of Transport. We noted last week some $500 million in cuts in VIA subsidies over the next five years. This morning the Minister of Transport fired the chief executive officer of VIA Rail because the chief executive officer believes that those cuts are inconsistent with the notion of maintaining a VIA Rail passenger service in this country.

Some Hon. Members: Shame, shame!

Mr. Tobin: My question to the Minister of Transport is a straightforward one. Is the Minister of Transport prepared to come clean with the people of Canada today and admit that the reason he fired the chief executive officer is that the Government of Canada has decided to close down VIA Rail's operations entirely in this country?

Some Hon. Members: Hear, hear!

Mr. Tobin: The Government of Canada does not have the courage to make a clean statement. The president left because the cuts are inconsistent with maintaining a rail passenger service in Canada.

Some Hon. Members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will not pound the desk. It is not the way to convince Canadians who do not believe.

Some Hon. Members: Hear, hear!

Mr. Bouchard (Roberval): I would like to say that there was an agreement with Mr. de Belleval that his departure would be appropriate in light of the fact that we had a new mandate with VIA Rail and it was not what he had exposed to Canadians in the last three months.

I met Mr. de Belleval this morning and I believe that he understands our position. You can yell and scream and say what you want, you will not change the reality of the finances of this country that you are responsible for.

Some Hon. Members: Oh, oh!

Mr. Tobin: The Minister can twist and turn all he wants and he will not hide the hypocrisy of his answer today in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Tobin: There is no courage in scurrying away like an anxious crab from the truth.

PASSENGER RAIL SERVICE—TAKEOVER BY PROVINCES AND MUNICIPALITIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): I would like to ask the Minister of Transport, what other conclusion can Canadians come to other than this Government, despite all its promises both during the election and over the last dozen years, is abandoning VIA Rail, when we see the Minister of Transport of Canada promoting the notion in Canada's newspapers that the provinces and municipalities ought to take over the rail passenger service in Canada?

Some Hon. Members: Shame!

Mr. Tobin: I ask the Minister again, why does he not come clean? Why is it Mr. de Belleval is fired but Mr. Hanigan, a former Tory candidate is kept on as chairman of the board of VIA Rail?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will repeat what I already said in English. Mr. de Belleval and I agreed that considering the positions he had taken, it was preferable for him to resign, and that is what he did. The Hon. Member has already made up his mind about the options that VIA Rail will propose to the Government. I have not. This morning I told the board of directors: Submit proposals that you feel are appropriate, considering the financial reference level we are giving you, we will listen. That is what I said, and that is what I can do, Mr. Speaker.

[*English*]

THE BUDGET

GROWTH OF ECONOMY

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. The Minister has stated that as a result of his Budget, growth in Canada's economy will slow and unemployment will increase next year. Analysts are now forecasting a drop in our economic growth of at least one full percentage point from over what it would have been without this Budget.

How can the Minister cut expenditures, raise taxes, keep interest rates high, and hope that the economy will somehow continue to grow at a healthy rate?

Will the Minister admit that his Budget is deliberately slowing growth in our economy, causing more inflation and causing yet more unemployment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me quote a very learned observer who said:

> The solution is quite simply for the Government to demonstrate a real ability to cut spending and to increase taxes—not very palatable ideas but necessary nevertheless—there are no magic solutions, MacLaren said.

That is a quote from the Hon. Member who has just asked the question. It is all very well to stand up on his hind legs and criticize, criticize, criticize, but Canadians are not going to be fooled. They can read what the Hon. Member said just three weeks ago and they know that the criticism is going to get nowhere.

What we are looking for in Canada today is an honest debate on the issues so we can understand where we are going as a country, where we are going as a people. I will answer the question if you will give me a little more time.

An Hon. Member: Where were you during the campaign?

Mr. Wilson (Etobicoke Centre): Hon. Members opposite have been critical of the high interest rates in this country. They are saying we should get interest rates down. This is a Budget designed to get interest rates down.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Now the Hon. Members say that that will not happen. This is designed to get interest rates down. I listen carefully to what Hon. Members say, and they say you cannot have it both ways. If we want to get interest rates down, we have to attack the fundamental causes of why interest rates are high. That is what this Budget does.

• (1520)

INTEREST RATES—INFLATIONARY EFFECTS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister says that we must get interest rates down. I agree with him, but he himself in his Budget is forecasting that interest rates will average 12 per cent this year. We are already into the fifth month of the year. Interest rates remain in excess of 12 per cent.

Given that the Minister predicts higher inflation while at the same time the Governor of the Bank of Canada has stated that inflation requires the imposition of yet higher interest rates, can the Minister explain somehow how anyone can believe that interest rates will drop before the end of this year?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member well knows, because I have another quote from him here, saying that lower inflation is essential to getting better productivity and lower interest rates. He is asking why we have not got interest rates down. The Budget was only presented last week. We cannot expect that just overnight, bang, things will happen, but the Hon. Member knows that the essential components of this Budget are designed to get interest rates down. We know the importance of getting interest rates down as demonstrated by the tremendous record of success we had in the last four years in which a million and a half jobs were created. This is our objective and this Budget is designed to repeat that great record.

HOUSING

RENTAL RESIDENTIAL REHABILITATION—CUTS IN SPENDING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is directed to the Minister of State for Housing. The Canadian Housing Renewal Association has said that the killing of the rental residential rehabilitation program will result in the decline of the living conditions of many low and moderate-income Canadians. This is the only major program that allows municipal and local Governments to upgrade substandard housing, to prevent conversions to high rise and high expense condominiums or to prevent demolition. What action will the Minister now take to help those thousands of Canadians, including children, who are caught in the housing crisis and who are being made homeless? Why not just keep this program?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the Hon. Member should know that I am as unhappy as he is, and in fact, the Government is as unhappy as he is with having to reduce spending on this particular social housing program. At the same time, the Hon. Member is aware and all Canadians are aware that a few years ago, 18 cents out of every dollar the Government took in went to pay for interest on the national debt. Last year, it was 31 cents out of every dollar. This year it will be 35 cents. Before very long, there will not be any social housing programs if that keeps up. In order to make sure that we are going to preserve social housing programs in Canada, we have to take action on that deficit.

Mr. Karpoff: Mr. Speaker, at the rate this Government is going, there sure will not be any social programs left in this country.

SOCIAL HOUSING—IMPACT OF BUDGET

Mr. Jim Karpoff (Surrey North): My supplementary question is directed to the Minister. This Budget has cut needed social housing programs, has increased taxes on homes and has done everything to drive up interest rates rather than bring them down to make housing affordable. Can the Minister point to one single thing in this Budget that will actually provide Canadians with affordable housing?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, if the Hon. Member would examine the Estimates and the Budget very carefully, he would find that in fact, the Budget for social housing last year was $1.6 billion. This year it is $1.7 billion. There has actually been a $100 million increase in the social housing budget.

[*Translation*]

FORESTRY

BUDGETARY CUT-BACKS—GOVERNMENT POSITION

Mr. Guy H. Arsenault (Restigouche): Mr. Speaker, my question is directed to the Deputy Prime Minister. On a number of occasions in the past, the Prime Minister promised people in the forestry sector that he would give the industry the attention it deserved, considering its importance to Canada's economy. The Prime Minister also promised to establish a department that would be responsible for forestry. The Budget tells another story. It shows cutbacks of $28 million and 44 person years.

Will the Deputy Prime Minister tell the House whether the Prime Minister's commitments to the forestry sector were only empty promises? And how can he explain the cutbacks, in view of those commitments?

[*English*]

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps it would be helpful to put the matter in the proper context. The Hon. Member is comparing what he has read in the Estimates with standards that were established by this Government and by this Prime Minister. There has been the restoration of the Canadian forest service to its rightful place as a full Department and accomplishments have been made in developing a forest sector strategy. There is a committee of Ministers that meets on a regular basis to plan future long-term integrated forest management policies that will not only preserve the commercial values of our forests but also the non-timber assets and will manage them properly. If the Hon. Member would read the information that I have sent him, he would know that there will not be a cut in the forestry budget but a significant increase once the establishment of the new Ministry and the separation from its previous Department is complete.

FOREST RESOURCE DEVELOPMENT AGREEMENTS

Mr. Guy H. Arsenault (Restigouche): My supplementary question is directed to the Minister of State for Forestry. In the past, the Minister has stated how successfully the forest resource development agreements have functioned. Last year's Estimates for the agreements were $139 million. This year's Estimates reduce that amount by 25 per cent and next year's projections reduce that figure by 66 per cent. Can the Minister explain to the 5,000 people in New Brunswick who stand to lose their jobs if the agreements are not renegotiated why the agreements have been so severely cut? Moreover, does the Government have the intention of eliminating these agreements all together, and can he

justify the loss of tens of thousands of jobs across Canada?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, I am pleased that the Hon. Member has recognized the important achievements that have been made over the last four years. Hundreds of millions of seedlings have been planted, literally thousands of jobs have been created in silviculture and in forest farming. Hundreds of millions of hectares of land have been restocked and are treated effectively now, and of course, six of the agreements that have expired are presently being renegotiated with the provinces, and hopefully quite soon we will be in a position to enter into a new generation of those kinds of co-operative agreements that have proven so successful in the past.

* * *

[*Translation*]

TRANSPORT CANADA

CANCELLATION OF RELOCATION PROJECT—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works and concerns the Conservative Government's decision to cancel its plan to relocate Transport Canada to new accommodation. Could the Minister inform the House why the Government provoked this whole controversy by cancelling the bidding process? And above all, could he explain why the Government has decided to negotiate with only one party, Mr. Robert Campeau, who supports the Prime Minister's free trade policy, instead of using a more democratic and more open system, which is the bidding process?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I agree that this is a very important decision and it falls into the general constraints that this Budget has placed on my Department along with other Departments. This decision was not one that was easily taken, but it was part of the budgetary process and reflects the general constraints that were placed on public works.

• (1530)

Mr. Boudria: I guess this is what the Prime Minister used to call "you dance with the one that brung you".

RENEWAL OF LEASE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to direct a supplementary question to the Minister of Finance.

The Minister says in his *Budget Papers* that the cancellation of this particular item will result in a saving of $2 million. Given that the renewal of the existing lease will not result in any saving and as a matter of fact will be more expensive than getting a different lease according to the bids already known, why did the Minister of Finance pretend in his Budget to save money when he is spending more money?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, would that this question were as simplistic to answer as the Hon. Member thinks it is, this particular Public Works project along with others have been curtailed.

There have been projects curtailed in Vancouver and in other parts of the country. It is by no means certain, depending on what statistics you use, that the savings the Hon. Member attributes to continuing the project would be any more than cancelling the project. It depends on whose statistics you believe and whose arguments you accept. He is having the same problem in his own Party, as he knows.

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NATIONAL REVENUE

NATIONAL DRUG STRATEGY—ZERO TOLERANCE

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question today is directed to the Minister of National Revenue.

I am sure that all Members of this House applaud the Minister's fight against the drug problem. However, the Minister was quoted in a number of articles last week as saying that the Government is seriously considering pursuing the policy of zero tolerance as a method of combating the drug problem in Canada.

Considering the less than successful record of this extremely controversial program in the United States, is the Minister so naive as to believe that zero tolerance alone will resolve the drug problem in Canada?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the Hon. Member knows, the Government is committed to the most comprehensive and broad program dealing with the serious drug problem, by virtue of the fact of the establishment of the national drug strategy.

To set the record straight, I will quote very briefly from what I said last week: "We will be looking at all options available to us including the pros and cons of zero tolerance". I will not be dissuaded by anybody anywhere in looking at every possibility to reduce the use of illegal drugs in Canada.

* * *

AIR CANADA

GOVERNMENT SHARES IN AIRLINE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct a question to the Minister of Finance. In privatizing Air Canada, the first annual meeting of Air Canada shareholders was told last week that the chairman and president of the airline were receiving interest-free loans to buy 275,000 shares at the original price of $8 per share. With these shares worth $11.50 today, the profits for these two people will be over $970,000, all based on interest-free loans.

I want to ask the Minister of Finance who votes the shares which the Government controls in Air Canada: Why was it that the Government did not vote its 55 per cent present share in Air Canada against these grossly generous benefits to two wealthy Canadians?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the answer is very simple. In the prospectus that was presented to the Canadian people back some six and a half months ago, it was made very clear at that time to all the security commissions across this country that the Government of Canada, in its 55 per cent share of Air Canada, would not vote those shares. We have kept our commitment.

EFFECTS OF PRIVATIZATION OF AIRLINE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Minister if he and the Government consider it fair and just that $975,000 should be made in profit by two individuals at the top, while ordinary Canadians receive no interest-free loans and face in fact cuts in the service to their communities because of Air Canada's change to private ownership?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am glad the Hon. Member asked that question because it gives me the opportunity to tell Canadians that the initial issue of Air Canada went to 130,000 ordinary Canadians from coast to coast.

All provinces and all territories were represented as shareholders, over 130,000 of them. They are very happy with that opportunity. There will be an opportunity some time in the future for all Canadians to participate in more share issues in Air Canada.

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AGRICULTURE

FREE TRADE AGREEMENT—PORT EXPORTS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture.

During the last two and a half years, we have heard a great deal of bombast about securing our markets in the United States through the flawed one-sided trade deal. Could the Minister tell us what went wrong with secured access to the markets when the United States is allowed under its laws to slap Canadian pork producers with a penalty of 7.7 cents per kilogram on pork from Canada exported to the United States?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. gentleman knows that this issue was occurring before the Free Trade Agreement came into place. The countervail action was in fact being examined then. The preliminary determination of 3.5 cents per pound has been levied. It does not have to be paid, however, and the Government of Canada and the Minister for International Trade are fighting this issue. We believe that we are on solid ground.

ACCESS TO UNITED STATES MARKETS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, in view of the fact that the United States trade remedy laws are still intact, that the omnibus trade bill was passed by the United States Congress in December, and that our access to the United States markets is no more secured now than it was five years ago, will the Minister admit that he misled the pork producers of Canada and that instead of negotiating a free trade deal he bought a pig in a poke?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, when it comes to misleading, we can take lessons from the Hon. gentleman himself because we heard a lot of that during the last election campaign.

I might remind the Hon. Member that our trade laws are in place as are the U.S. trade laws. At the present time we have a countervail against U.S. corn, so we are applying our law in a similar manner. If we think there are unfair trading practices, we have the laws in place and the mechanisms in place to protect our producers. We are going to fight this issue because we believe that on the point of law at issue here we are on solid ground.

[*Translation*]

LOSSES SUFFERED BY PORK PRODUCERS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I also have a question for the Minister of Agriculture.

I wish the Minister would explain why this action was taken on January 5, five days after the Free Trade Agreement was ratified, and I would like to ask the Minister what he has to say to hog producers who are already losing money when they sell at 53 cents or 54 cents a pound. How can he explain those additional three and a half cents? And how are producers going to react to this loss? What can they do to make up for it?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member better get his facts together because there is not a 3.5 cent per pound countervail duty being assessed right now. That is a preliminary determination. We are fighting it, and it is not being paid at the present time.

[*Translation*]

AID TO PORK PRODUCERS—GOVERNMENT POSITION

Hon. Jean Lapierre (Sheford): Mr. Speaker, I have a supplementary.

The threat of a three and a half cent levy hangs over the heads of all Québec hog producers. The Minister of State spent all last year promising Quebec producers free access to the U.S. market, when he told hog producers: There is no problem; you can sell on the U.S. market without any surtax. But what about today? How can they still tell producers there is no problem? There is a problem. Forty-five days from now, they will have to save enough money to pay that surtax.

So there is a real loss of three and a half cents. What will the Government offer producers to make up for that?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I will talk about secure access. We are the largest exporter of pork into the United States market. We enjoy that market, and we are going to continue to have it.

There will be trade disputes that arise from time to time, but under the Free Trade Agreement we have another opportunity under the dispute resolving mechanism to deal with this issue in a fair and equitable way. That is something we did not have before.

* * *

• (1540)

AGRICULTURE

SOIL CONSERVATION PROGRAM

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. The Minister knows that there is a tremendous need, particularly in southern Saskatchewan, right across the Prairies for assistance in the soil conservation program.

The Minister also knows that an agreement has been sitting on his desk, an agreement between the Province of Saskatchewan and the federal Government. Is the Minister prepared to tell the House and the farmers of Saskatchewan whether that agreement is to be signed and when he will make that announcement?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am sure the farmers of Saskatchewan will be glad to note that the Hon. Member is concerned about soil and water conservation and the adequate provision of water in the Province of Saskatchewan. I am sure the farmers out there will be very happy about that.

It is true that we do have a soil and water conservation program which was announced in December 1987. We have been working with the provinces in a joint arrangement to put together projects that would be suitable under the provisions of that policy. Yes, there have been ongoing discussions with the Province of Saskatchewan, and there is a proposal before us now that we are examining very closely. As soon as we can get through the process of examining it to ensure that it complies with all the criteria, we will take the necessary action.

Mr. de Jong: I am afraid that that answer is not good enough for the farmers of Saskatchewan.

RENEWAL OF AGREEMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the Minister knows that the past agreement has expired. The Minister also knows that every day which passes without the announcement of that program means there will be no soil conservation projects in Saskatchewan this year. It is getting too late. In fact for most farmers it is already too late. There have been dust storms in Saskatchewan; last week in my constituency there were dust storms. We need this program.

Could the Minister explain what earthly reason there is that that program has not been announced in order that there can be soil conservation programs this year?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the program was announced in 1987. It is now 1989. We have the proposal on our desks right now and we are examining it.

I will simply tell the Hon. Member that we are going to do this right to ensure that it complies with the criteria. As soon as that examination is complete, we will take the necessary action.

* * *

CANADA ELECTIONS ACT

REQUEST FOR STUDY

Mr. Girve Fretz (Erie): Mr. Speaker, my question is directed to the Deputy Prime Minister. During the last federal election many constituents in my riding, and indeed across the country, complained of not being enumerated.

When will the Deputy Prime Minister appoint a commission to study reform of the Elections Act?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, with reference to the Hon. Member's question, the Chief Electoral Officer made the point very clearly that had the provisions of the Bill tabled before the House in the last Parliament been approved, 85 per cent or 95 per cent of the problems would have been cured.

The Opposition wanted to inject other items into that particular piece of legislation upon which there could be no agreement. As a result many Canadians were denied the opportunity to vote.

We are examining that issue very closely to see whether in fact we can bring in emergency legislation to deal with that particular issue. Today we are also looking very closely at the terms of reference for the commission, as well as names of people who could conduct it.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

FIRST REPORT OF STANDING COMMITTEE

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Agriculture concerning Bill C-7, an Act to amend the Criminal Code (pari-mutuel betting).

This is the first Bill reported to this Session of Parliament. The speed of its return is a mark of the industry of the committee and, indeed, of our excellent clerks and researchers.

[*Editor's Note: See today's Votes and Proceedings.*]

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT ON CONFERENCE OF SPEAKERS AND PRESIDING OFFICERS OF COMMONWEALTH PARLIAMENTS

Mr. Speaker: Pursuant to Standing Order 34 I have the duty to present to the House a report, in both official languages, on the meeting of the Standing Committee of the Conference of Speakers and Presiding Officers of Commonwealth Parliaments, held in Malta on March 27 and March 28, 1989.

[*Editor's Note: See today's Votes and Proceedings.*]

[*Translation*]

MUSEUMS ACT

MEASURE TO ENACT

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-12, an Act respecting museums.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Ms. Barbara Greene (Don Valley North) moved for leave to introduce Bill C-237, an Act to amend the Criminal Code (offences of sexual nature).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Ms. Greene: Mr. Speaker, the current justice system unfairly treats victims of sexual offences in particular. The two measures outlined in this Bill will address that inequity, to a degree.

The first measure will assure victims that their right to privacy is given consideration. The second will require that defence attorneys must prove to a justice that their clients are not a hazard to their victims or other members of the public.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

CANADA-LUXEMBOURG INCOME TAX CONVERTION ACT, 1989

MEASURE TO ENACT

Hon. Gilles Loiselle (Minister of State (Finance)) moved that Bill S-2, an Act to implement conventions between Canada and the Grand Duchy of Luxembourg and Canada and the Polish People's Republic and an agreement between Canada and Papua New Guinea for the avoidance of double taxation with respect to income tax, be read the first time.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the first time.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1550)

[*English*]

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties and I think you would find unanimous consent for this motion being put to the House immediately without debate. I move:

> That the House not sit on Friday, June 23, 1989, in consideration of St. John Baptist Day the following day; and
>
> That, for the purposes of Standing Order 27(1), respecting extension of sitting hours in June, Thursday, June 15, 1989, be the day on which a motion for such extension may be proposed for that period from Friday, June 16, 1989 to Friday, June 30, 1989.

The Acting Speaker (Mr. Paproski): Does the Hon. Government House Leader have unanimous consent to move the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

CANADIAN FILM DISTRIBUTION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 36.

The petitioners are concerned that Canadian films represent only 3 per cent of total screen time in Canadian theatres, that 95 per cent of all film profits go to the United States, and that only 3 per cent of video cassette sales in Canada are of Canadian produced videos.

They are asking Parliament to enact film distribution legislation which would give Canadians control over film distribution in Canada and would give Canadian film makers a genuine opportunity to have their work seen in their own country.

PROTECTION AGAINST ABUSE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, these petitioners point out that one out of every ten Canadian women is beaten by the man she lives with, that one woman in four is sexually assaulted or abused, and that every 17 minutes a Canadian woman receives some sort of sexual assault.

The petitioners are calling upon Parliament to ensure that women have alternatives to protect themselves and their children from violence, to consider the advisability of increasing funding for transition homes and advocacy centres, and to ensure that women receive greater protection under the new laws.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I would ask that all Motions for Papers stand.

The Acting Speaker (Mr. Paproski): Shall all motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, April 28, 1989, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government and of the amendment of Mr. MacLaren: That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

> "this House regrets that the Government has imposed unfair taxes and has cut vital programs, including child care, regional development and agriculture, in an effort to reduce its annual deficit, despite the fact that this effort has been rendered futile by the Government's ill-conceived high interest rate policy; and
>
> That this House condemns the Government for pursuing these policies that fall most onerously upon lower and middle-income Canadians and that are certain to hinder the further development of the Canadian economy."

And on the amendment to the amendment of Mr. Nystrom, seconded by Mr. Riis,—That the amendment be amended by adding the following words:

> "and this House further condemns the government
>
> 1) for imposing the greatest new tax burden on Canadian families in recent times;
>
> 2) for reneging on its commitment to develop regional equality;
>
> 3) for continuing and increasing the unfairness of the tax system; and
>
> 4) for eroding the universality of vital social programs."

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, it is an honour for me to rise today in support of the Budget my colleague the Minister of Finance (Mr. Wilson) tabled last week. This is an important budget for the future of Canada. It deals with what we must do as a government and as a country to maintain social programs and the high standard of living Canadians wish for themselves and for their children.

This Budget, Mr. Speaker, deals with what we must do to face challenges and make the most of the opportunities offered by a changing world, what we must do to affirm our sovereignty, that of a mature and confident nation, and, finally, to meet the new and ongoing priorities of our country.

What kind of Canada will we leave our children? A Canada with social programs to which we are attached. We must leave them a high standard of living and we must leave them economic freedom, sovereignty at home and respect abroad, as well as a sensitive, reasonable and responsible government. That is the Canada we must leave our children. And the Budget, Mr. Speaker, is designed to attack a major national problem that prevents Canadians from having a better future for themselves and their children. This problem is our large and growing national debt.

Only 20 years ago, Canada had no deficit and our total national debt after a century of Confederation was just $18 billion. The service charges on our debt were well within our means. The problem began shortly after, about twenty years ago, the problem of annual deficits. They were relatively small at first, but year by year they increased and started to be a burden. By 1984, the debt had grown from $18 billion to nearly $200 billion. The annual deficit exceeded $38 billion.

At the present time, the $320-billion debt puts great pressure on the economy and on our ability to provide Canadians with the social programs that set us apart. The sad reality of the debt is that it traps the country in a vicious circle. Every year, a greater effort is required of Canadians to produce additional revenue just to pay the interest on a growing debt.

The question all Hon. Members must ask themselves is whether we have the right to leave this huge debt as a heritage for future generations. It is easy to borrow from future generations, Mr. Speaker, because they have no say in the matter. They do not have a vote. However, they will have to suffer the consequences if we do not act.

Mr. Speaker, the Progressive Conservative Government was aware of the seriousness of the debt problem when it took office four and a half years ago. We took measures to control this problem. We eliminated programs that were no longer useful. We reduced waste and made government more efficient. Total program expenditures declined as a proportion of national revenue.

We also put an end to tax loopholes for businesses and high-income individuals. We reduced the annual deficit and it has declined sharply in relation to national income. For the fiscal year ending March 31, 1989, the deficit was $28.9 billion, nearly $9.5 billion less than it was in 1984-85.

Our budget program was implemented as part of a comprehensive long-term plan to give the economy the dynamism it needs in a rapidly changing world that is increasingly competitive. Since 1984, we have been laying solid foundations for Canadians' economic potential.

We have modernized the regulatory framework for business. We have reformed the federal tax system and negotiated the Free Trade Agreement between Canada and the United States. We have encouraged research and development and improved occupational training programs. Thanks to our action on the economy, Mr. Speaker, we have been able to create a climate where Canadians can face the economic challenges of a world of merciless competition.

[*English*]

The record shows just how well Canadians responded. Since 1984, Canadians have created 1.5 million new jobs and our economy has expanded faster than most other industrial nations. We made this progress together as a Government and as a nation because we made tough choices and we took strong actions to deal with our fiscal and economic problems.

The overriding fiscal policy objective of this Government is to continue getting the public debt under control through deficit reduction and to reinforce the policies that have helped to achieve our record of fiscal progress.

However, that progress is at risk because of rising inflationary pressures here and in other countries. In response to these pressures short-term interest rates have risen. They will be much higher this year than was widely expected even a few months ago. In early 1988, most economic forecasters expected that the world stock market plunge of October 1987 would slow the growth of industrial economies to more sustainable levels. Nowhere, not in Canada or any of the major industrialized countries, did forecasters project the rapid growth and inflationary pressures that emerged. Growth has been very strong and monetary policy has tightened in Canada and abroad to contain inflation. We must not forget the explosion of inflation and interest rates in the early 1980s, the shattering of economic confidence, the collapse of economic growth and employment in every region of Canada and, above all, the enormous damage inflicted on the lives of millions of Canadians.

• (1600)

[*Translation*]

The then Government may well have taken the inflation threat with a grain of salt, but we do not intend to make the same mistake. At stake is nothing less than our capacity as a Government and as a country to maintain the high standard of living and the quality of life which Canadians rightfully expect.

To protect and strengthen that capacity we must implement firm, moderate and cohesive fiscal and monetary measures which will keep us on a right course towards lower inflation and interest rate reductions. Our policy has to be realistic and responsible, where short-term risks and mid-term objectives strike a proper balance.

In the long term we will continue to lay the foundations of economic progress by following a well-balanced program of financial and economic measures. We will be taking major economic initiatives such as implementing our strategy, making better use of our labour force, revamping the federal sales tax system, and launching the last stage of the financial institution regulation reform which I will be proud to introduce in the House.

We will embark upon a reform of the tax system concerning retirement savings. We will advocate greater liberalization of international trade in our multilateral trade negotiations. We will seek to develop our country by promoting a productive and economically sound agricultural sector. And we intend to privatize more Crown corporations and take steps to ensure that our environment does not fall victim to economic growth.

A sound economy is needed if we are to achieve our goals over the coming years. It will provide more and better jobs, making it possible to respond to the social and cultural priorities of Canadians. However we will fall far short of our objective if we do not come to grips with the threat of our ever growing public debt. We cannot possibly gain control over the debt if our economy falters, but that alone is not enough. Other measures must be taken to reach our economic and financial objectives.

We have made difficult choices in this Budget. We did our best to ensure that the measures as a whole are balanced, that they take regional conditions into consideration, and that they shift some of the burden onto the shoulders of those who are in a better position to carry the extra weight. We will not reduce the debt on the backs of less fortunate Canadians.

The Budget contains a wide array of cut-backs in public outlays and measures designed to boost revenues. After implementation, expenditures will be down by roughly $2.5 billion a year.

Mr. Speaker, let me give a few examples. First there will be reduced expenditures with regards to government operations, business subsidies and other transfers, and payments to Crown corporations. We will not go ahead with the purchase of nuclear powered submarines. Individuals whose net income exceeds $50,000 will refund trough the tax system their old age security benefits and family allowances payments.

This however maintains the universality of those transfer programs. Every eligible person will continue to receive his or her benefits. Those moves go one step further in the cost control initiatives taken since 1984.

Through those and previous moves, program expenditures have gone down from 19.5 per cent of the Gross Domestic Product five years ago to 16 per cent this year. They continue on going down till 1993-94 to reach a level slightly higher than 15 per cent, the lowest in 25 years.

Mr. Speaker, on the revenue side Budget initiatives are placing a heavier burden on taxpayers who can afford it. And these moves are distributed over a number of sources.

In the corporate sector, a new tax levied on large corporations will apply to capital over $10 million used in Canada. This new tax ensures that all large corporations pay taxes and help control the national debt.

A new surtax will apply to individuals whose income tops $70,000. Excise taxes are increased and so is the federal sales tax pending the sales tax reform.

Finally, new changes will ensure that funding for the Unemployment Insurance Program is in line with our effort to control the debt.

Starting in 1990, unemployment insurance benefits will be funded entirely by employer and employee contributions. The Government will continue to cover any deficit in the unemployment insurance account during difficult periods.

Taken together, these moves will save more than $5 billion this year and $9 billion next year.

This year, they will almost cover the increase in interest charges and leave the deficit at $30,5 billion. Next year, the deficit will come down to $28 billion. The debt to gross Domestic Product ratio will stabilize next year. The debt will stop growing faster than the economy, an important result. In five years the deficit will be reduced by 50 per cent.

Mr. Speaker, the replacement of the existing federal sales tax is a key component of this Government's strategy to maintain essential programs and strengthen the Canadian economy.

The existing tax is notorious for its basic weaknesses. The Budget once more stresses our determination to eliminate it and establish a new system.

The sales tax reform will lay a more stable foundation for the Government to maintain important public services and better tackle the Canadian debt problem. It will contribute to a more equitable tax system and will make the national sales tax more visible to consumers.

Finally, it will bring in as much as $9 billion per year in revenues which will benefit all industries in every part of Canada.

With this new sales tax scheme, the Government wants to make sure that Canadian families earning less than $30,000 a year will be better off after the sales tax reform than before. This new 9 per cent sales tax will bring in enough revenues to fund a new goods and services tax credit which will represent a major increase over the current sales tax credit. This credit will be refundable and paid quarterly, the first payment being made before the coming into force of the new tax.

Moreover, basic groceries, prescription drugs and medical devices will be exempted from this tax. Residential rents, day care services, legal aid services and most health and dental services and educational services will be also exempted.

Early this Summer, in a back ground paper the Government will provide technical details on the sales tax reform, and it will introduce the relevant legislation for study next Fall.

To conclude, Mr. Speaker, may I say that Canadians want a to be a nation which can protect and enhance the basic values which define our national identity.

They want and we want a compassionate Canada which is able to maintain the cultural and social programs as well as provide for the other major public services Canadians need. Moreover, we want a Canada which is economically strong and totally competitive with other trading nations which continue to create rewarding jobs and open new opportunities for Canadians in the 1990's and beyond.

• (1610)

Mr. Speaker, we want a developing Canada which can meet such priorities as professional training and environmental protection. In short, a Canada which can guarantee a higher standard of living and a better quality of life for future generations.

Such is our responsibility as a Government. This should be our objectives, certainly as Canadians.

Mr. Speaker, the measures contemplated in the Budget will help us maintain the type of Canada we want to leave as a legacy to our children.

Mr. Kindy: Mr. Speaker, I have listened to the Minister's speech with interest. He made several interesting points. One of them is that the debt now amounts to some $320 billion. It is huge. We need about a third of our revenues just to pay the interest on it.

I must add that, in 1984, the debt was $180 billion. Only 20 per cent of our revenues was needed to service it. It means that the interest on the debt has grown from one fifth to one third of Government revenues.

Our Budget tries to reduce the debt but the deficit projected for next year will still amount to $30.5 billion. It will add to the existing debt of $320 billion for a total of $350 million and, the following year, it will be $380 billion, then $400 billion the year after that.

The debt will be extremely hard to reduce. Does the Minister think that our cuts, which are quite modest in proportion to the total Budget, are a step in the right direction? We made cut-backs, for example, in projects that had not yet come into existence like the acquisition of submarines. Those were not really cuts in expenditures since the projects had not started yet. That is one of my questions. Does the Minister think enough cuts have been made in the Budget?

I have another question with the regard to the sales tax. Will the administration of the sales tax require the hiring of additional employees? Studies done in the United States, which could apply to Canada, show that the implementation of the sales tax would require about 4,000 employees and $200 million a year in administration costs alone. At the same time—

[*English*]

—the compliance cost of a sales tax would exceed $4 billion in Canada. Thus it would be extremely expensive for the small businessman and for the farmer. Would the Minister care to address those two questions?

[*Translation*]

Mr. Loiselle: First of all, Mr. Speaker, I thank the Hon. Member for his interesting comments. The debt in general is, of course, the result of accumulated deficits and while we had forecast last year a lower deficit, something occured this year that none of the analysts had seen coming. At the end of last year, already, with interest rates reaching 10 per cent, after the 1987 crash, after a four-month employment slowdown that had levelled, that had peaked, everybody expected us to go through, if not a recession, at any rate a much calmer period when inflationary pressures would ease off. Unfortunately, those pressures did not lessen and exerted on our economy such forces that, in view of what was happening elsewhere, interest rates had to go up, and we were left with unexpected, extremely heavy and burdensome costs, that we strived to offset as best we could during the expenditure review exercise.

You talked about a $31.5 billion deficit. A deficit of $30.5 billion is forecast for next year if interest rates take long to fall down. And today, in this House, we heard my colleague the Minister of Finance explain that we should first give the Budget time to produce results, and be confident we will witness a move in the right direction in the months to come.

Deficits are adding up. As you say, the deficit will be $28 billion next year. That's right, but the economy is growing too. And the important thing is that we succeed in balancing anew our debt, our deficit and the economic growth so that those threatening and paralyzing cuts in our spending gradually diminish. We hope so and we have made projections accordingly.

Now, you say that the cuts are minimal. When we cut $1.5 billion, to mention only that aspect, it is more than a little. Moreover, you have to hear our friends over there. To listen to them you would think that we must cut somewhere else without touching our spending. It's a rather difficult thing to do.

So we made what we think is a good trade-off, a trade-off which protects regional distribution and especially the most disadvantaged, and I think this trade-off is just and puts us on the road to recovery.

Concerning the goods and services tax, you spoke about the problems related to its administration. A considerable reduction in administration costs was certainly one of the advantages we saw in a national tax in which the provinces would have joined. Concerning compliance costs for small and medium-sized businesses, as you will see in the material which will be distributed early next summer, specific meaures will be taken to help businesses in the management of this tax.

I cannot go into any detail now, but we will surely do what is necessary so that businesses can manage this tax without difficulty.

[*English*]

Ms. Langan: Mr. Speaker, I have three very brief questions, having listened to the Minister. He stated that it is easy to borrow from future generations because they have no vote. My question is this: would he not agree that it is also easy to steal from today's children because they have no vote?

In the Minister's speech there was no direct reference relating to the banks of Canada. How are Canada's banks paying down their proportionate share of the deficit? Is it through appropriate and fair taxation?

Finally, will the Minister please assure Canadian children and Canadian families that there will be no sales tax on family counselling for troubled families?

• (1620)

Mr. Loiselle: Mr. Speaker, I would like to thank the Hon. Member for her questions. I expect that all Members would agree that this country is faced with a problem. It is not a question of having the choice of doing everything we would like to do. We are faced with a problem which is growing at a very dangerous pace.

One thing is obvious, when you receive at the end of the budget year a bill of $6 billion that is expended in interest rates, you have to get it somewhere, either through taxes or through your programs. If you want to make sure that it does not decrease again next year and gradually pushes you out of the capacity to make decisions about programs, you have to make certain decisions. I believe that when you look very closely at the measures which have been taken, some of them have been postponed in response to the question: Should we go out and borrow $3 billion again?

An Hon. Member: Answer the question.

Mr. Speaker: I regret that the Hon. Minister's time has expired. Debate. The Hon. Member for Hamilton West.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I ask your indulgence and that of the House to stray off topic for just a moment. I would like to state for the record that when my Leader announced his decision today, I found myself on a bit of an emotional roller coaster. I felt sad, then I felt a sudden void, and then a feeling of loneliness. Then I was overwhelmed with a sense of pride, pride in the fact that I had the privilege to be a candidate, and then an elected Member of Parliament due in large part to a great Canadian committed to a caring and sharing nation.

I owe the Right Hon. Leader of the Opposition (Mr. Turner) a great deal of thanks and wish him and his beautiful family good health, prosperity and only the best for the future.

Now, Mr. Speaker, before I focus specifically on this appalling affront to the Canadian people which the Government refers to as its Budget, I would like to refer to the clear and knowledgeable words of sheer wisdom offered in 1983 by Conservative parliamentarians. They must be asleep. They did not even react to that.

For example, former Deputy Prime Minister Erik Nielsen, speaking on April 19, 1983 stated, "Budget secrecy is a basic principle of our traditions of parliamentary government—it is not a principle that is necessary to defend:—for information about the detailed plans contained in the Budget—to be released prior to the delivery of the Budget in Parliament is, in essence, a contempt of Parliament itself".

Lest you feel that this was just a personal passing whim of one Conservative MP, let me refer to the words of the now Minister of Justice (Mr. Lewis), a man whose wisdom in parliamentary matters I respect. On April 19, 1983, he noted: "It is a breach of Members' privilege that this material, the Budget, was disseminated through the media before it was presented to the House".

He noted further that if the leak was accidental: "The disclosure—in the media is a breach of the Minister's confidentiality—his very privilege".

Mr. Nielsen noted that: "This leaves the Minister the only option of resignation and the production and presentation of a new Budget by a new Minister to be appointed to replace him—"

An Hon. Member: What did he do?

Mr. Keyes: Yes, what did he do? It should not surprise any of us, however, that the current Government chooses to ignore the parliamentary wisdom of its own Members. Clearly, none of its public statements has a life expectancy of more than three months, let alone three years. It willingly disowns its promises, directions and policy statements in the interests of political pragmatism. Therefore, this dubious "Budget-by-press-release" is in contempt of the Canadian public and a breach of democratic ethics in its attack on the most vulnerable citizens of our country and in its complete denial of promises made to obtain a mandate to govern.

Some Hon. Members: Shame, shame!

Mr. Keyes: A recent *Globe and Mail* editorial boldly claims that the Minister of Finance has become: "the symbol of all the fiscal resolve this Government has been able to muster". I say Amen to that. There is little doubt that the Minister symbolizes the financial fiasco perpetrated upon a distinct Canadian way of life during the past four years and reaching new depths of horror in this Budget. The Hon. Member's budgets do indeed speak to the most abysmal record and appalling failure in fiscal resolve of any government in two decades.

Had the Hon. Member's Budget in 1985 been at all accurate, we would be looking at a deficit of $24 billion instead of $31 billion. Had he been at all astute in 1986, we would be paying $42.5 billion in personal income taxes, not $50.5 billion. If his claims in 1987 "Plans for Reform" had been fiscally sound, government spending cuts would account for 75 per cent of the reductions in the deficit, instead of the mere 29 per cent now in place. If he had been even close to capable in 1988, the Bank of Canada's lending rate would be 7.8 per cent not 12.6 per cent.

Now the same Minister predicts that this Budget will create further wondrous things, reducing the Bank of Canada rate by 1994 to 7.5 per cent. How are we to believe him now? This huge gap between government projections and promises and the actual public performance and delivery is not surprising to any of us.

Recently, the Deputy Prime Minister (Mr. Mazankowski) had the gall to accuse the opposition of playing with the integrity of the Canadian economy. I would suggest to him that Government Members, since November, have been playing with the integrity of the Canadian way of life, using political gamesmanship and chicanery upon the Canadian public. This Budget in its sheer disregard for numerous promises made to the Canadian people demonstrates to Canadians this Government's overriding commitment to harmonizing with American economic practice rather than to enabling Canadian initiative and self respect.

Most of us are aware that a Budget is more than a fiscal plan, more than a simple guideline for spending. It defines the actual outline of social possibilities for change. It plays a key role in what individuals and families will be encouraged to try for themselves in the immediate future. At all times it should enable not constrain individual, family and community growth.

In other words, the Budget provides the framework for weaving the fabric of our society. I state today that this Budget, rather than enabling a strong social fabric, is unravelling our sense of community. With its attack on the CBC, on unemployment insurance, on child care, on co-op housing and numerous other unique Canadian support systems, this Budget attacks the most vulnerable members and institutions of our culture.

An Hon. Member: Despicable.

Some Hon. Members: Shame, shame!

Mr. Keyes: As I examine this Budget, I am reminded of a famous story by the great Canadian humourist and world renowned economist, Stephen Leacock. It is called "*The Sinking of the Mariposa Belle*". Many of us may well remember the tale about a marine excursion in which most of the community of Mariposa sets out in an old paddle boat for its annual picnic. Suddenly the old boat springs a leak and the leaders of the town go into a frenzy. Realizing that they are sinking, the cry goes out: "Women and children first, women and children first". The women and children are tossed into leaky lifeboats which sink quickly into what turns out to be thankfully only two feet of water.

The Conservative Government, in a state of panic over the way their ship of state has sprung leaks, and with great cries that we are being engulfed in the deep waters of the deficit, have sent out the cry: "Women and children first".

This is not a laughing matter. This is a despicable tale in which the Government rescues itself at the expense of women, children, and the Third World.

• (1630)

So, to all the single parents in Canada, to all the wage earners who are struggling constantly between seasonal jobs, to all those children whose parents or parent had to work to pay for housing and food and who cannot stay home with them each day, to all the young people or unemployed adults who are trying to upgrade at post-secondary institutions, to a large number of women with children who live below the poverty line, to all grandparents and elderly who find their income earned over a lifetime of service to our community now being eaten away by inflation and this Government, to all these people of Canada, the Government assures you that there is $1 billion available for roads and things in Lac-Saint-Jean. You will be pleased to know that there is $1 billion available for the Hibernia oil field. Oh, yes, there is the $650 million for tarsands, $325 million for heavy oil upgraders, $288 million for improvements in the Prime Minister's riding, half a million dollars for renovations to offices of government Ministers and over $191,000 for a beautiful book on energy starring the current Minister of Communications (Mr. Masse).

But wait, four months pass by and the cry goes out, women and children first, women and children first. Alas, there just is not enough for day care at this time. We understand you voted for us on that basis, but sorry, that was a lie. There just is not enough for transfer payments to welfare, unemployment insurance, post-secondary education, medical health care. You remember that promise, that commitment about conserving social programs and universality? That was a lie too.

Time wounds all heels. Oh, by the way, there is not enough for co-op housing or any other solutions for the homeless in Canada or even those suffering elsewhere in the world. Sorry about that, just a few more promises or rather commitments necessary during the heat of an election campaign. We are sure you will understand, short term pain for long term gain and all of that. Just tough it out and sometime, somewhere over the rainbow, things will get better.

This is the Government's message. However, a leading Toronto psychiatrist spoke recently of this Budget in the long term. She spoke of the thousands and thousands of angry and bewildered young people 15 years from now whose beleaguered single parents will be unable to provide an environment and care even close to what an intelligent, caring culture knows is essential to a healthy early childhood.

Once again, this Government is focusing on those most vulnerable to solve its overspending problems, totally oblivious to the long-term social responsibility for society. I say to the Deputy Prime Minister that whenever a single sparrow has fallen, this Government has clipped its wings and it must be held accountable.

The Government might say to this that there are millions of other Canadians with solid jobs and salaries who will not suffer, whose lives will be enriched by this Budget. I say to them that this Budget has its arsenals pointed right at personal initiative for middle-income families and small businessmen.

In 1988, personal taxes represented 47 per cent of government expenditures, corporate taxes only 9 per cent. In 1988 terms, had corporate sector contributions matched, kept pace with those of personal taxpayers, the Canadian Government would have a surplus of $18.5 billion.

What is particularly intolerable to Canadians is that this Government has browbeaten its citizens by encouraging a policy of high interest rates. Yet it has abandoned any effort to get back any of the resulting high banking profits to the benefit of our citizens, citizens who fed that profit. What happened to the Government's 1987 plan to impose a fiscal margin tax on financial institutions?

This feeling that each of us is looking down the barrel of a fiscal cannon is shared by small business across Canada. Mr. Bullock, president of the Canadian Federation of Independent Business, claims that small business people are being bombarded today because of a spending spree the Government has been on for two years now. Small business will not only be buried in taxes, it will be mired in red tape. Jeff Ruben, senior economist at Wood Gundy Limited, predicts a policy-mandated recession.

At McMaster University in my riding of Hamilton West, the Government has decided not to fund the upgrading of the McMaster nuclear reactor which, in the opinion of international scientists, would make the reactor fifth in the world in productivity and research. This update would have cost $18 million, coincidentally exactly the same amount that the Government has cut from Atomic Energy of Canada Limited. In essence, this Budget does not enable initiative, it cripples it.

The Government continues to see the average Canadian's car as a luxury comparable to the sins of liquor or cigarettes. Since 1984, its tax on gasoline has gone from 1.5 cents a litre to 7.5 cents a litre. Apparently, the Government has forgotten that this is a vast and often isolated country in which our capacity to bridge distances is essential to holding jobs or seeking new initiatives for taking charge of our lives. Canadians in rural areas often drive long distances to work and they have little public transportation. On average, motorists can expect to pay close to $600 annually in gasoline taxes, but those, of course, in rural areas who require vehicles for the normal conduct of their lives will pay double that, double $600 a year. However, this too does not surprise us for there are other aspects of the Budget which tear at the fabric of Canadian life.

It is enough of a struggle in this vast land to maintain a powerful sense of community and to hold on to roots set down over a lifetime. Yet this Government plans to cripple VIA Rail by forcing it to cut back on the very communities in which the need is the greatest. It will further tax long distance phone calls in a country in which distance makes calls essential, not frivolous.

We also understand the role of amateur sport in the family life of Canadian communities. We know its essential role in the healthy development of our children, the good, solid values for our young people and its significance in maintaining fitness among an aging adult population. Amateur groups have been more than meeting their their objective of becoming largely self-funding over the past four years. For instance, in the Canadian Soccer Association, local affiliations have managed to go well beyond that fifty-fifty split with the Government to raise 70 per cent from private sources. What is the reward of these groups for such fiscal accountability? Once again the Government has broken faith with these people and has cut back its smaller share of the responsibility. Could this Government not even guarantee its meagre contributions?

Such a breach of trust is just as evident in the communications industry. A year ago, the Government's Minister of Communications came to an agreement with the magazine publishing industry. The Government would maintain a mail subsidy steady if the publishers would agree to a 12 per cent increase in magazine postal rates annually for five years. This Government's word is not worth a wooden nickel. One year later, this Budget proposes a series of cuts that will eliminate in just the first year $10 million rather than maintain this subsidy. Of course, it will not simultaneously rule out the steady increase in postal rates. The goal again is not to enable but to cripple small businesses.

• (1640)

Finally, Mr. Speaker, this Government has made a wholesale assault on the CBC. Clearly the Government cannot be committed to the way CBC links a vast pattern of communities from coast to coast and into the far north in a network of communication and cultural support. The CBC, faced with drastic reductions in 1984, has been a highly responsible fiscal partner in the Canadian cultural enterprise. It deserves better than this cut of $140 million over the next five years. This is another commitment broken.

In closing, Mr. Speaker, the term clawback refers to the Government's attack on the universality of our distinctly Canadian social programs. It is also an appropriate symbol for this Budget as a whole. Clawback conjures up the image of some kind of berserk punishing grizzly bear slapping his paw and dismembering personal lives uncaringly, slicing bloody gashes in the social fabric of our Canadian way of life. This clawback of public commitments erodes good faith, which is the basis of any democratic vote. This Budget totally abandons the premises, promises and practices upon which this Government's mandate was granted. We demand that the Minister of Finance clawback this Budget.

Some Hon. Members: Hear, hear!

Mr. Thompson: Mr. Speaker, I congratulate the Member for Hamilton West (Mr. Keyes) for a fine performance. That is exactly what it was, a performance. I am amazed that he does not spend his summers in Stratford because there would be a position for him there. He is a fine actor.

I want to thank you as well, Mr. Speaker, for allowing the Member to pay tribute to his Leader today who announced his resignation. I think it was appropriate that you allowed that. It was very appropriate that he should mention his Leader. But it is also appropriate that we mention that the Right Hon. Leader of the Opposition (Mr. Turner) is the modern day father of the deficit which we inherited. The deficit can be traced back to the days when the Finance Minister, who is now the Leader of the Opposition, was the individual who carried the scenario forward. When we came to power in 1984, his party had overspent to the tune of $42 billion.

An Hon. Member: No, you are wrong.

Mr. Thompson: Well, check the record. Mr. Speaker, they like to talk. They like to complain about the deficit. But it is like the old axiom: Everyone wants to complain about the weather, but nobody wants to do anything about it. What would the Member for Hamilton West do about it? He likes to complain, scream, holler and wave his hands and arms, but does he have a solution? My question is, Mr. Speaker, what would they do about it? What sort of plan would they bring forward that could be enacted to deal with the deficit?

Mr. Keyes: I want to thank the Hon. Member for his question, and preface my remarks by responding to what he said about the way I spoke. I cannot apologize for the way I speak, how tall I am, and what my beliefs are.

Mr. Thompson: It was a figure of speech.

Mr. Keyes: I will not apologize for speaking the way I do. What I believe in comes from the heart. When I speak here, I believe in what I say. My riding said, you will represent us in the House of Commons. I would respect the Hon. Member if he stood here passionately delivering what he believed in. So I cannot apologize for the way I make a delivery.

Beyond that, he speaks of the Right Hon. Leader of the Opposition. The Leader of the Opposition should be the last person that the Hon. Member should accuse of mishandling public finances. If the Hon. Member checked his facts, he would see that the Right Hon. Leader of the Opposition was the last Finance Minister to show a surplus in the Budget.

Some Hon. Members: Hear, hear!

Mr. Keyes: I do not know what he is talking about. Now I will answer the question to which he made all the preamble. Certainly we recognize that there is a problem with the amount of money that is crushing Canada as far as the national debt is concerned. Of course we recognize that. I would be the last person to stand up in this House of Commons, as they should not do, and put that kind of responsibility on the backs of the unemployed, the elderly, on those less fortunate and those who live in the outreaches of this great country. I would be the last to do that kind of thing.

Mr. Comuzzi: Mr. Speaker, I would like to compliment the Member for Hamilton West (Mr. Keyes) for making such a succinct and comprehensive statement on the Budget as presented by the Conservative Government, our friends across. The portrayal of what he stated is very, very accurate. I would like my friend to comment on what was said prior to his getting up in this House.

For the first time, Mr. Speaker, we are starting to get close to the numbers that we believe are the accurate numbers with respect to the deficit and to the debt of this country. The Member for Calgary Northeast (Mr. Kindy), who has just entered, stated in a question to the Minister of State for Finance (Mr. Loiselle) that the deficit—

The Acting Speaker (Mr. Paproski): I would just like the Hon. Member to comment on the Hon. Member's speech and direct the question to him.

Mr. Comuzzi: I am asking him to comment on the numbers that he heard in this House, that the deficit in 1974 was $170 billion, and by 1990 the deficit will be $380 billion, and that the present Government took over in 1970 and increased that deficit in their four years in office. Would the Member for Hamilton West please comment on those numbers?

Mr. Keyes: I thank my Hon. colleague for the question, and if I can succinctly address the situation, the lines we were delivered were that the economy will blossom, reaping the gains of the Canada-United States Free Trade Agreement, inflation will taper off, the job market will grow and interest rates will drop. Well, don't count on it. If they had been right last year, the Bank of Canada's trend-setting lending rate would now be 7.8 per cent, not 12.6 per cent. In fact, the Finance Minister has disappointed all Canadians by setting a deficit target of $30.5 billion, a full $1.6 billion higher than last year's figure.

The Acting Speaker (Mr. Paproski): The Hon. Member for York South—Weston and then the Hon. Member for York West.

Mr. Marchi: We are so close that we can do it at the same time.

The Acting Speaker (Mr. Paproski): You can both ask the same questions together if you wish.

Mr. Nunziata: It is called the Mutt and Jeff routine, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Mr. Speaker, I to congratulate the Hon. Member from Hamilton. He is fast becoming the pride of Hamilton.

Some Hon. Members: Hear, hear!

Mr. Nunziata: I am only kidding, Sheila. But it was an excellent speech. No doubt he does his constituents proud when he stands up in the House and tells it the way it is. I would like the Hon. Member, my friend and colleague, to put this particular Budget into perspective. If one examines the policies of the Conservative Government over the last five years, one can quickly see what the Conservative agenda was from day one; that is, the dismantling of Canada as we know it and Canada as we cherish it. Four years ago the Conservatives came to power and they started to dismantle the country. They did away with the Foreign Investment Review Agency. In the last Parliament, they privatized our national airline, Air Canada.

An Hon. Member: Shame!

Mr. Nunziata: They gave us free trade. We have made all the arguments with respect to the negatives associated with free trade. Now we find that they intend to dismantle passenger rail service in Canada, VIA Rail. We know from this Budget that they intend to chip away at the social safety net that we have: old age security, family allowance, unemployment insurance, transfers to the provinces with respect to medicare and post-secondary education.

• (1650)

My question to my friend and colleague is the following. Is it not obvious that the exact nature of the Conservative agenda is to totally destroy what has taken a hundred or more years to develop, and that is a country that cares about the disadvantaged, a country that has compassion and feeling for its citizens, and a country that has rendered itself the pride of the world? I ask my friend to comment on the over-all picture in terms of the nasty Tory agenda for Canada.

The Acting Speaker (Mr. Paproski): The time has expired, so I would ask the Hon. Member to respond briefly.

Mr. Keyes: Out of respect, Mr. Speaker, I will answer the Hon. Member's question. Women and children first, Mr. Speaker. We had a Government that set its mandate, not only within the last five years, as my colleague has indicated, but within the last two years, within the last six months. During that election campaign all the promises came forward. All the money was there. Every nickel was accounted for. It was all within the fiscal framework of the Minister of Finance (Mr. Wilson). It was all there. Canadians stood up and said: "Boy, they must know what they are talking about. They have all the money in the bank. The Finance Minister has it all lined up and accounted for, every nickel. Look at all the great stuff we are getting, yet they are still going to reduce that deficit. How are they going to do that? Well, it does not matter. If they said they can do it, then we will give them the confidence to do that."

What happens? Four months later, a scant four months later, and all the lines start pouring out from Members on the Government side.

To directly answer the question, what is happening is that the Government, through these policies, through the harmonizing policies that it is now looking at between Canada and the United States, is now in the process of subsidy negotiations with the United States before the United States has even begun to sit down at the table.

Mr. Nunziata: Supplementary question, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments are now terminated. The Hon. Member for Mississauga South is the next speaker, and the Hon. Member will have many opportunities to ask him a question.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. With the greatest of respect, I am sure if you review the record it will show a promise made by you to recognize my friend and colleague.

The Acting Speaker (Mr. Paproski): Yes, I did, if there was time. However, the Hon. Member for York South—Weston took an extra three or four minutes. The Hon. Member for Mississauga South has the floor.

Mr. Marchi: Typical Tory. Break another promise.

Mr. Nunziata: I'm not going to vote for you the next time.

The Acting Speaker (Mr. Paproski): Would the Hon. Member like to withdraw that statement?

Mr. Nunziata: Absolutely, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Thank you. The Hon. Member for Mississauga South.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in November, 1984 the Minister of Finance (Mr. Wilson) set forth to the House of Commons a course of action that he initiated to try to solve the problems that he said were with us at that time. He set forth a course that would reduce the amount of the deficit, bit by bit chip away at it, and eventually get the country to a point where it could start paying back a horrendous legacy of debt.

Over that period of time the Minister of Finance proved exceptionally competent. In 1986 his deficit projections made the year prior were exactly as he said, and he did what he promised. In 1987 his projections were right on, except that he found an extra $1 billion and reduced the deficit even more than he thought he could do.

In the year just finished, 1988, by cutting back on expenditures, by controlling things very carefully, despite interest increases, the Minister of Finance brought in a deficit bang-on to what he forecast back in February for the 1988 year.

Up until now the Minister of Finance has been doing a superb job. Unfortunately, he has been faced with a problem that has particularly developed since last November. Last November the Minister of Finance was quite easily able to place a successful Canada Savings Bond issue at 9.5 per cent. Unfortunately, last week interest rates had risen to 12.5 per cent and people were redeeming Canada Savings Bonds in great fashion, and the cost of carrying the overwhelming debt of the country was rising at an unbelievable rate. It is estimated that the cost of carrying that debt in this fiscal year will be $39 billion.

That is an enormous amount of money. It has thrown out of whack the projections originally made in 1984 and repeated year after year as we chiselled away at the problem. This year, and possibly next year, we have to do some things to get back on track. That is the reason for the Budget.

When we took over, the total amount of deficit in relation to Gross Domestic Product was 8.5 per cent of the Gross Domestic Product. Last year it was down to 4.6 per cent. As a percentage of the production of the country we had reduced the deficit to very nearly half. The borrowing requirements of the country were 6.7 per cent of Gross Domestic Product when we took over, and now they are 3.2 per cent of Gross Domestic Product. The money that has to be raised is less than half of what it was when the Minister of Finance took over. Therefore, he has done a remarkable job in handling the problem. The fact that he has done a remarkable job in handling the problem means that we have to do a remarkable job too. We have to take a look at that problem and do what we can to assist in handling it.

We have to bear in mind that the interest that we pay on the debt is more money than we raise in sales taxes, customs duties, excise taxes, and corporate taxes all rolled into one, and then some. In interest alone it amounts to $39 billion. It would not be all that bad if we did not have to look at the problem of interest straight at it the way it comes at us. The Minister of Finance has forecast that perhaps interest rates will go down a little, and perhaps he will be able to carry the deficit next year with interest expense at $39.4 billion. The Minister of Finance has a problem that requires not only that there be some good luck in the economy, but that there be a further reduction in interest rates.

If interest rates do not go down, then we have real serious problems. Those problems may well mean that we will have to take more drastic action. Let us look at the actions taken. There are cuts in programs of about $1.5 billion. There are tax increases of about $3.5 billion in the Budget for this year. The Budget cuts for next year come to approximately $2 billion, and the tax increases to approximately $7 billion to increase the revenue or the amount toward the problem by $9 billion in the second year.

That is exactly what the IMF suggested that we do. In order to balance our problem it stated that we have to substantially change our Budget practices, and we have done that. We would have thought that the other side would have had some understanding of the arithmetic, because we are talking about arithmetic when we have a Budget. It is simple, ordinary, straightforward arithmetic.

• (1700)

However, what we hear from the Opposition is whining of the worst fashion. We hear Members opposite claim that we will damage a number of segments of our society.

Let us look at the resolution that we will be voting on later today. It says: "for eroding the universality of vital social programs". Let us talk about that. If someone is wealthy enough to have $50,000 or better of taxable income, should that person continue to receive a social hand-out from the state, or should that social hand-out from the state be reduced?

Mr. Marchi: It is not a hand-out.

Mr. Blenkarn: Should they not be able to stand on their own? My mother-in-law says that you should and she does not have that much money. She says that it is about time we did, and my parents say that it is about time they did. Many people say that it is about time, and let us realize that it is about time we did.

Mr. McKnight: What would $50,000 taxable income be? It must be an income of about $75,000 a year.

Mr. Blenkarn: It has to be a little over $60,000 anyway. Of course, it is only eroded at the rate of $150 per thousand of income. You are up to $85,000 or $90,000 before you are wiped out on the old age pension, and about $70,000 before the family allowance is taken away, per child.

It would seem that this is a terrible thing to happen. Universality is really damaged and that is a real serious matter and no contribution should happen there because, after all, we are hurting the old, the sick, the lame, the blind and the hard done by, the people who do not have a lot of money. That is what we hear from the other side.

Let us consider the next part of the resolution which states: "for continuing and increasing the unfairness of the tax system". That is a real winner. When a special surtax is placed on people earning over $70,000 a year, that is unfair according to the Liberals and New Democrats. When a special surtax is put on corporations that have not been paying any tax, that is unfair according to the New Democrats and Liberals. Where is the unfairness in the tax system in this Budget?

Next, the amendment states: "for reneging on its commitment to develop regional equality". All one has to do is look at the Blue Book. You will find there is more money for regional development this year than last year, and more money last year than the year before. That assertion in the amendment is wrong. Are Members opposite saying we should vote in favour of falsehood?

The Member from Hamilton who just spoke was crying about things like the CBC. He said we will hurt the CBC.

I looked in the Blue Book. I am really worried about the CBC. It will only get $58 million more this year. There will be a cut-back of $20 million, but is it $20 million from $58 million or $20 million less than it would like to have.

If we go through one budget item after another in the Blue Book we will see that department after department has more money this year than last year. The reason is that in building this budget the Minister of Finance had to tread a very quiet and careful line.

He could have done the hard-nosed thing and ripped through those expenditures, to cut them down in a vicious fashion. However, he did not do that. He carefully cut things that could be cut without causing too much damage to the economy. He carefully increased taxes where he could increase taxes without causing too much dislocation and damage. He was worried, like we all are, about setting off a recession or doing something that will unbalance the fragile economy we have.

The problem is that this country presently has some $320 billion worth of debt. It is growing very rapidly, and by this time next year it will be over $350 billion. It is an enormous problem. It will not be solved by us wishing it could be solved, or by picking the trees behind this building that are covered with money.

There is only one way to solve the problem when there is a shortfall of money. It is to take more money in, which means taxing more, or to spend less. In both cases, we are taxing more and spending less. We are trying to reach a responsible balance. That responsible balance is shown in this Budget, and it ought to be supported.

Earlier today in Question Period there was a question concerning VIA Rail trains, on the basis that this was the day the last spike was placed on the CPR. I thought about that and the fact that perhaps passenger trains as we once knew them would soon no longer be running the way we knew them.

I wondered what would have happened if someone had stood up in the House of Commons on the day the last spike was driven, to say that we should have a new agency called "VIA canoe" because we put the canoe route out of business, or "VIA stagecoach" because we put the stagecoach out of business. Would we have continued to sponsor and subsidize those forms of transportation because new technology had taken place, because the automobile, the bus and the airplane have taken passengers who once went by train and trains today are no longer economic, or are we to keep everything that we have had in this country and not cut anything?

In closing, I want to read from an article in *Maclean's* this week. It is an article by Peter Newman, who quoted Mickey Cohen:

> "We won't solve our fiscal problem until Canadians perceive that we are in a real crisis", he says, "and that won't happen as long as the deficit issue remains a debate among the elite. Some political leader is going to have to stand up and say, 'Look, the cupboard is bare, there is no more money for welfare payments, no more funds for most of the things governments do'". Then Cohen turned seriously pessimistic: "This issue isn't going to be resolved merely by cutting out universality. That is only the beginning; that is only the painless stuff. It simply won't be enough to take money away from the people who don't need it.
>
> You are going to have to get at the people who really need it as well. That is not so much a question of political courage as having the stomach to do it, because it is going to be very, very painful".

I say to Members of the House that unless this Budget is successful, and we better hope it is, it will be very painful.

Mr. Marchi: Mr. Speaker, talking about pain, let me assure the Member, the chairman of the Finance Committee, that Members on this side have been in pain for the last 20 minutes. The Member has the audacity to ask what is so unfair about the current tax system and the tax measures that have been imposed by the Conservative Government for the last five years.

• (1710)

If the Chairman of the Finance Committee and an individual from the government side does not know why it is unfair then I worry about the direction, not only of that committee but indeed of that Government. When we have in this country, after five years of Tory rule, a Canadian who earns over $100,000 in income paying 8 per cent in increased taxes versus an individual on the poverty line, which is estimated at approximately $26,300, paying 60 per cent more in increased taxes since 1984, we suggest that we do not have to ask what is so unfair about that.

Some Hon. Members: Hear, hear!

Mr. Marchi: I believe that all Canadians would put their noses to the grindstone because they do not mind paying their way for the betterment of this country. However, where Canadians and where we in the Liberal Party object to the way this Government is moving is that the burden is not shared equally. That is when you have tax revolt and that is when you have stratification of classes. For the first time in public polling they are beginning to find after five years of Tory rule that Canadians are beginning to look at class stratification.

We know that we have had our differences East and West. We have had them between French and English. We have had them between federal and provincial Governments. However, we have never had, until now, Canadians beginning to look at themselves as people in Great Britain do; that is to say, in terms of class structure, in terms of those who have and those who have not. This Budget does not enhance that problem; this Budget aggravates that problem.

I wish to ask the Hon. Member for Mississauga South (Mr. Blenkarn), the Chairman of our Standing Committee on Finance, why would he almost bring embarrassment upon himself to ask what is so unfair about that tax regime? I suggest that the Government go back to the boardrooms, use the blackboards and inject some fairness, some equity and some dignity for all Canadians, not just offer it to some of their Tory friends who happen to represent a very small stratum of Canadian society.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, it is unfortunate that the Hon. Member for York West (Mr. Marchi) has not looked at the Budget and the tax system. It really is unfortunate that he does not understand percentages. I can tell him that at a certain level a person might pay 100 per cent more taxes one year than the next because that individual might move from paying zero tax to paying $1. I can tell him that the effect of this Budget is to make sure that the rich and the well-off pay a great deal more. That means people who are well off, receiving money from government, and people who are well off earning their money, pay a very substantially enhanced surtax. These problems of enhanced tax are there and they are going forward.

We had a fairly lengthy study, as the Member will know, last year resulting in a White Paper which had certain tax recommendations. This Budget carries on with those tax recommendations. It carries on with a form of minimum tax against corporations that up until now have not paid tax, so that means any corporation having more than $10 million in assets. That is not a very big corporation but the Budget states big corporations and they will pay a minimum tax.

When the Member talks about tax fairness he ought to understand what really has happened. We are going after those who have the money. We are getting as much as we can from them. We will have to continue to do what we can to get this country on the road and out of its problems.

What we need as Members of Parliament on standing committees and in this House is the willingness to spot items of expense and to spot situations where either taxes ought to be increased specifically or where expenses ought to be cut specifically and make those statements. That is the kind of assistance and leadership we all owe, not only to this House, but to our families.

The Acting Speaker (Mr. Paproski): I have the Hon. Member for Glengarry—Prescott—Russell, the Hon. Member for Winnipeg—St. James and the Hon. Member for Windsor—Lake St. Clair on the list. Members can govern themselves accordingly; we have six minutes.

Mr. Boudria: Mr. Speaker, I want to ask a question about regional development. He has spoken of that and has stated in his remarks that in his view regional development programs were not only retained—I think he alluded to that fact and I am paraphrasing here—but were enhanced or improved. Is he familiar with the part of the country that I represent, that of Eastern Ontario? Is he familiar with the fact that previous Governments, even the same Government in the past, recognized that there were two sections of Ontario which were doing not nearly as well as the rest of the province, namely, Northern Ontario and Eastern Ontario.

In abolishing the Industrial Regional Development Programs and converting the programs into the various agencies across Canada, what the Government has done is established the Atlantic Accord, the Western Canada Diversification Program and FEDNOR. In that process Eastern Ontario has been completely left out.

Given certain statements that the Member is quoted as having made in the past, does he feel that that is all right? We have places like Hawkesbury in my riding with 13 per cent unemployment, Pembroke with unemployment rates again in the teens, Cornwall and other communities in Eastern Ontario outside of the City of Ottawa also with high unemployment rates. They have no regional development programs and are not in a position to attract industries as other areas can which receive development programs.

Mr. Blenkarn: Mr. Speaker, I do not know the detail of the programs in Eastern Ontario, but I do know what the Blue Book says. It gives more money for that type of program this year than last year. I say to the Member that he should read the Blue Book. It is a great bible and a marvellous thing. It sets everything out. There are even baby blues that set things out in even more detail. Whether there should be a separate program for Eastern Ontario, that is the first time I have ever heard of that.

Mr. McCurdy: It was not in the Blue Book.

Mr. Blenkarn: I did have a good look at the other programs and I find they are enhanced.

Mr. Harvard: Mr. Speaker, I will try to be as brief as possible. We said, during the election campaign, that if this Government were to be re-elected and given its commitment to the Free Trade Agreement, it would not be long until the Government started breaking down the social fabric of this country by going after social programs.

We have seen that in the Budget. The one thing that I want to point out is the so-called claw-back as it applies to family allowance and old age pensions. I think it sets a terribly dangerous precedent because if this Government can get away with clawing back family allowances, if this Government can be successful in clawing back old age pensions, where does it stop? Where does this stop?

Does the Member not realize that if the claw back begins at $70,000 today, it can be $60,000 tomorrow and $50,000 after that. Not only that, the Government can then strike medicare. It is an unbelievable precedent that the Tories have started. It is the end of social programs, the end of a solid Canadian tradition.

• (1720)

Mr. Blenkarn: Mr. Speaker, I do not know what the breaking point is. However, if the Hon. Member will take a look at his income tax form he will see that if he received too much income in a year and received unemployment insurance, he will have to start paying back some of that unemployment insurance. This is not a new program. There has been such a provision in the Income Tax Act for some considerable period of time. The Hon. Member may want to take a look at that.

He asks where does it stop. I will tell him where it stops. It stops when people will no longer lend money at an affordable rate. It stops when we cannot collect enough in taxes to pay our bills as they come due. It stops when there is not a sound economy and we are forced to the printing press. It stops when the country becomes financially bankrupt. Unless we are very careful, unless we pay attention to what we have here, and unless we support the Minister of Finance (Mr. Wilson), that will be the future. That is where it stops.

Mr. McCurdy: Mr. Speaker, we have had raised a cloud of gobbledygook which is supposed to be substantiated by references to the Blue Book. As you know, Mr. Speaker, I do not have time to deal with all the purported arguments of the hon. gentleman.

Surely you must have been tremendously impressed, Mr. Speaker, with his metaphor about VIA canoes and the demands of those on this side, had we lived then, for their subsidization. The fact is that the Hon. Member completely failed to understand that what the Government has been doing is indeed to subsidize VIA canoes instead of to build the steamship. Perhaps it was a mistake, a beclouding of the Hon. Member's mind with his own gobbledygook, that he would argue that air transportation in Canada is more efficient, more convenient, indeed safer, and that we should not look to Europe or Japan and build a new kind of railway that would keep people on the ground and get them from point A to point B quickly and environmentally more safely, more efficiently and perhaps more economically.

Does the Hon. Member understand what has happened? Does he understand that the Government has destroyed the chance of having ground transportation which is rapid and efficient as well as economically and environmentally sound? Or could he not find it in the Blue Book?

Mr. Blenkarn: Mr. Speaker, the Hon. Member comes from Windsor. When he signed up for this term in Parliament he received a pass on the railway. I wonder how many times he has used it and saved us the cost of air transportation.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. Resuming debate with the Hon. Member for Beaver River (Miss Grey).

Miss Deborah Grey (Beaver River): Mr. Speaker, in my other life I was a drama teacher for about 10 years. I noticed from the other side a comment about the dramatic performance and theatrics of the Hon. Member for Hamilton West (Mr. Keyes). I would give the Hon. Member for Hamilton West a good, clear 9 out of 10. He was only surpassed by the Hon. Member for Mississauga South (Mr. Blenkarn). I would give him a clear 10 out of 10 for theatrics.

Some Hon. Members: Hear, hear!

Miss Grey: I would also like to give my best wishes to the Right Hon. Leader of the Opposition (Mr. Turner). He is one who has gained my respect during the short time I have been here in the House. I will always remember the fact that he returned to the Chamber to listen to my maiden speech on April 12. He owed me nothing. He had no reason or responsibility to come to listen to me. He listened because he wanted to. I certainly admire him for that.

He also mentioned this afternoon that it is important for a Member to be around in the House. I think that illustrates that he has certainly practised what he has preached. I would like to thank him on behalf of the Reform Party, whom I represent, for being a hard worker and an ambassador for western interests. I certainly wish him every success in his future endeavours.

Some Hon. Members: Hear, hear!

Miss Grey (Beaver River): Now, to the Budget debate. Of course, I feel quite qualified to speak on the Budget as I was the only Opposition Member in the House to hear the Budget—the second Budget if you will, Mr. Speaker—on April 27. I was told when I won the by-election that I may be lonely down here in Ottawa. I had no idea it would be that lonely, that I would be sitting alone on this side of the House listening. I certainly understand the other two Parties and their upset at the events which have taken place. Truly, it was an extraordinary situation. Nonetheless, I felt the responsible thing for me to do was to listen to the Budget. That is what I think Canadians wanted us to do. For me, the responsible thing was to listen to the Budget. Now, however, I must tell the House that the responsible thing to do is to oppose the Budget.

Some Hon. Members: Hear, hear!

Miss Grey (Beaver River): I have planned extensive consultations with my constituents which will take place next week. However, I know my riding well enough to know that this Budget cannot be sold to the people.

In my maiden speech I talked about the importance of reducing the deficit and controlling the financial mess which we are in. I indicated certain things would have to be done if belt-tightening measures were to be made credible. I said there would have to be cuts at the top, even if they were largely symbolic. I said there would have to be evidence of sacrifice here. There is none. Spending on all major parliamentary institutions is well above average rates of increase. For instance, spending on the Senate is up by 10 per cent. Spending on the Library of Parliament is up by 9 per cent. Spending on the Governor General's Office is up by 20 per cent. Spending on the Ministry through the Privy Council Office is up by 16 per cent. Spending on the House of Commons is up by 9 per cent.

As my right hon. friend, the Leader of the Opposition, points out, we have one of the most over-bloated Cabinets in history. Spending is up on their limousines, if you please.

Some Hon. Members: Shame.

Miss Grey (Beaver River): There is a tax-back of the old age pension. There is no-tax back of MP's pensions. So much for leadership from the top.

I said there would have to be cuts in the bureaucratic middle. There is no clear evidence of this in the Budget or the Main Estimates. There are not even measures that would allow an analysis of bureaucratic efficiency to be made. There are supposedly cuts in man-years but no analysis of the job levels at which such cuts will occur. In fact, a recent article in *The Ottawa Citizen* told us that there has been a 19 per cent rise in executive level positions under the Tory Government. That is a rise in positions which pay salaries between $63,100 and $111,700 annually. In any case, there is no way of knowing whether these reductions in man-years will simply be offset by contracting out.

In some cases evidence of new inefficiency emerges. The Western Diversification Office will see its budget fall by $24.8 million, but its staffing will rise by 120 person-years.

We see 226 new people for Revenue Canada to administer what was supposed to be a simpler tax system. I heard on the radio the other day that there is a sentence in the new tax form that is 62 words long. I am also an English teacher by trade. That is what we in my profession call a run-on sentence.

What is clear is that the taxpayers of Canada are again being asked to diet so that the public sector can have dessert. There will be new taxes of all kinds. There will be more taxes on consumption, on capital, on income, on sales, on the poor and on the not so poor.

For instance, the general federal sales tax is up $1,140 million. I could go on and on about personal income tax and large corporations tax. However, the one that I think is very significant concerns the financing of the unemployment insurance program. For this year the figure is $425 million. It will go up next year, when it is in the private sector, to $1,900 million.

In the first year there will be $3.5 billion in new taxes. For every one dollar in cuts there will be more than two dollars in new taxes. In the following year there will be $7 billion in new taxes. That is $3.50 for every one dollar in cuts. Only the rate of increase in spending is down. Spending in absolute dollars will rise by nearly $10 billion this year. Let us ignore even interest charges for a moment. Program expenditures outside of defence will more than outpace inflation. Total government spending will be $142.9 billion. It is $1 million, for anybody who is interested in winning the lottery, times 142,000 nine hundred times over. That is how much money this Government spends. Is that this Government's idea of austerity? I hardly think so.

• (1730)

Until the Canadian public can be shown that money can be wisely spent, the tax grabs in this Budget simply cannot be supported.

The question for me is whether I will be able to support those expenditure reductions that are proposed. I will try. The Reform Party is not like the other opposition Parties. All I have heard them saying in this Budget debate unfortunately is: "Why are we cutting so much?" Our Party states quite unequivocally: "Why are we spending so much?" We have not even tapped into the resource. We are just talking about the extra projection of growth.

However, asking my constituents to support the cuts is not going to be easy, because there are no cuts at the top. There are no cuts in the middle. There is no consistency in the cuts. There is no evidence even of a philosophy or rationale in the cuts that are proposed.

There is not even honesty in what has been done. For example, take the old age pension and family allowance. Universality has been removed but the Government tries to pretend it has not.

Then there is the bottom line. This Budget sees the deficit going up, not going down. They should not brag of a deficit of $30.5 billion. All that says to Canadians is that we are going broke slower. That is not good enough for Canadian citizens. It is up $1 billion this past year and $1.5 billion this coming year. Borrowing is up over $4 billion.

I may be a political novice but I am not politically stupid. There is no political constituency for this Budget. We cannot ask people to support a deficit reduction program that does not reduce the deficit. Now we see the price behind this Government's pre-election tax cuts, pre-election spending and pre-election promises.

I do not say these things glibly, Mr. Speaker. I believe that the Minister of Finance (Mr. Wilson) is an honourable man. Most Canadians believe him when he says he wants deficit reduction, but they do not believe his Leader or his Party and they cannot believe this Budget.

Last Thursday, I listened to the Minister because I believed he was the victim of an event beyond his control. But it is now clear that he is the victim of a fiscal situation beyond his control. He is unfortunately the victim of his own government, a government that claims to face the music on the debt but whose words for the past five years have not played that tune.

Since 1984, this Government has talked about reducing the deficit next year. Nobody is fooled anymore by projections of drastically dropping deficits four or five years hence. Debts are welling up like water behind a dike. We are supposed to believe that when the national debt hits 56 per cent of GNP it is going to somehow level off. It is at 53 per cent now. I doubt it. It is only a matter of time before the dike bursts and this Government, this Minister, this Prime Minister (Mr. Mulroney), all their sacred trusts and all their credibility will be washed away.

The time has come for real fiscal responsibility from this Government. There is discontent in the Tory ranks. The Hon. Member or Portage—Interlake (Mr. Holtmann) said he will stake his career on stopping base closures. The Hon. Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson) is unhappy about transportation provisions. The Hon. Member for Edmonton—Strathcona (Mr. Thorkelson) said he will not support cuts to VIA Rail. The Hon. Member for Calgary Northeast (Mr. Kindy) has the audacity to suggest that his voice as an elected representative should matter. So it should. It seems even Alberta Tories will find it next to impossible to defend this Budget to their constituents.

Canadians are increasingly nervous about the short-term, near-sighted policies of this Government. During the election the deficit, they claimed, was under control. I went to many forums. I ran, of course, in the election. I went to nine all-candidates forums. I turned around and did four more in the by-election. In the general election, in the nine forums that I attended, I wanted to talk about the deficit because I felt it was important and Canadians felt it was important.

The Free Trade Agreement absolutely, overwhelmingly took precedence. That is all we heard, unfortunately. We heard nothing about the deficit. Now I wonder, was it under control? We know it is not under control and it was not then.

Now they talk of urgent crisis but show little urgent action. The longer we wait, the deeper the cuts will have to be. The public is tired of the crisis management approach. For example, why is the Government building $1 billion CBC building in the overheated economy of downtown Toronto, while cutting the budget for CBC's programming? Does this sound like reasonable planning?

An Hon. Member: Not at all.

Miss Grey (Beaver River): Canadians, I believe, are ready to bite the bullet. Constituents expected cuts and they can live with them. But it is only fair that every sector should be affected. As leaders of this country, we should be serving as role models. Think of the message it would send to Canadians if we were willing to take cuts in expenditures. If cuts were absolutely consistent, then no Canadian could point a finger at anyone else and cry "unfair". That would speak louder than anything else.

I have watched in frustration, and indeed just watched it a few moments ago, the Government and the Opposition blaming each other over and over again for who is to blame about this. Canadians are concerned about answers to the crisis, not merely attaching blame. As far as they are concerned, it does not matter who is to blame. They want us to get out of this situation. Let us get on with the salvaging operation. Time is running out. Taxes are up. Spending is up. Interest rates are up. The deficit is up. Mr. Speaker, the gig is up.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I would like to give the NDP the last six or seven minutes here before we call in the Members. I would like to forego the questions and comments on this particular speaker.

Mr. Volpe: Point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Eglinton—Lawrence (Mr. Volpe) can have his question and comment. I will allow him a short question and comment, and Winnipeg—North Centre (Mr. Walker) also. The Hon. Member for Eglinton—Lawrence.

Mr. Volpe: Mr. Speaker, I rise on a point of order. I am very pleased to have listened to the Hon. Member give her address but I want to clarify the record. In fact, while she may not have seen as many members of the Opposition here to listen to the second presentation of a budget which was flawed, both in content and in process, and while she indicated that the Minister of Finance (Mr. Wilson) is a victim of circumstances, we would have argued that he would have been a victim of his own ineptitude and that his credibility did not merit the attention that he wanted for a budget that was rehashed.

But there was somebody present here for the opposition Parties. Both opposition Parties were represented ably by my colleague to my left from Winnipeg North Centre, who saw very, very clearly that our views would be there, that he would listen on our behalf to reinforce what we had already known and what we were already convinced of. I dare say to the Hon. Member that we have seen nothing to the contrary so far. In fact, all of our suspicions regarding the Budget, its content and its perpetration of inequity were justified and it justified our actions on that evening.

Miss Grey (Beaver River): I appreciate that. I am sorry, I did see the Hon. Member here. I was under the impression that he had left shortly thereafter. I guess the press did not pick that up, perhaps.

Nonetheless, the leak is not the crisis. The financial situation in this country is what is the crisis. That is what we need to deal with.

Mr. Walker: Mr. Speaker, I would like to thank our hon. colleague from Beaver River for her comments. I notice the change in strategy. There are several westerners in the House right now, everywhere from the Lakehead west, listening to the comments and our curiosity about the Party and the stance of the Party. I notice that she is very critical of the Government and for its Budget. I would like to also point out for the record that she did support the Speech from the Throne. I take it that this is a change in strategy which I would like her to clarify for us, that her critical comments means that she is opposing the Government's Budget strategy. In particular, I would like to have some comments from her as to how she thinks the Government's high interest rate strategies affect the West.

• (1740)

Miss Grey Let me also point out that I am here representing the Reform Party, not the Liberal Party or the NDP. The fact that I may support a Liberal in Alberta would certainly be a far stranger aberration than an NDP or a Reform Party member.

Nonetheless, I would like to say in answer to that that my position as an elected Member of the House of Commons is to represent my constituents. My constituents, and indeed I believe western Canadians, are in favour of free trade, so if I am hurting any of the opposition Members' feelings on that, I am sorry. All I can do is speak on behalf of my constituents.

I campaigned from Thanksgiving straight through until March 13. I have been around Beaver River, let me tell you. The people there were very strongly in favour of free trade, and if that offends any of the opposition Parties, then I have to beg forgiveness from them. But my job in terms of representing my constituents was to be pro-free trade.

I have made it fairly clear what I feel about the Budget, and that is the issue at hand right now. I will certainly be voting with the Government sometimes and with the Opposition sometimes, according to the wishes of my constituents.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I am sorry, Mr. Speaker, I noticed that you indicated previously that you wanted to recognize another Hon. Member later, but I do not believe that the unanimous consent of the House was sought in order to change the rules and perhaps you would like to make that request.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member from the NDP to have the last three minutes for his speech?

Mr. Kindy: Mr. Speaker, I rise on a point of order. I think there is ten minutes of questions and comments.

The Acting Speaker (Mr. Paproski): The Hon. Member for Calgary Northeast (Mr. Kindy) has a question or comment? Please put it.

Mr. Kindy: I would like to congratulate the Hon. Member for Beaver River (Miss Grey) for her excellent speech. Perhaps she could make a short comment on her feelings about the value-added tax or the goods and services tax and how that will affect the consumers of her riding.

Miss Grey: Mr. Speaker, I thank the Hon. Member for that question. Again, I think I can speak quite comfortably on behalf of the people of Beaver River. They are very upset about the goods and services tax which will come in mainly because of the points I have talked about already. If it will be consistent, if everyone will pay and if the Government is looking after the money that it already has, if we were to see the Government spending money wisely, then the people of my riding would be quite comfortable chipping in their fair share. Unfortunately, they have not seen that yet and so they are quite upset about this goods and services tax.

Small business is upset. I was at a meeting on Saturday night with the Chamber of Commerce in my riding and they are almost devastated by this Budget and the impending goods and services tax.

Mr. Marchi: Mr. Speaker, I too commend not all the arguments the Hon. Member has made but certainly the force and the compelling commitment that she attaches to her words and thoughts. I would be curious to find out what the position of the Reform Party would be on the question of the universality of some of the programs that are being chipped away and second, whether there is a fear among the Reform Party that those thresholds will be lowered and that will be administered to different programs such as medicare. She may wish to comment on the over-all picture of universality in social programs.

Miss Grey: Mr. Speaker, I believe that the people of my riding, supported by the Reform Party and its platforms and policies, feel that universality, if I could speak specifically about child care, is probably a waste of money and that these programs should be targeted to people who need them. In other words, we may be discriminating against parents who choose to raise their children at home. We believe firmly that these programs should be targeted to those who need them in terms of universality.

Regarding medicare, we feel that medicare is for the sick and not for the poor. We also feel very strongly that that should not be eroded and that that is a service that people pay for. The public would be very upset to see that eroded.

The Acting Speaker (Mr. Paproski): It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 84(4), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House. Accordingly, the question is on the amendment to the amendment standing in the name of the Hon. Member for Yorkton—Melville (Mr. Nystrom). Is it the pleasure of the House to adopt the amendment to the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the amendment to the amendment, which was negatived on the following division:

• (1810)

(Division No. 8)

YEAS

Members

Angus
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Blondin
Broadbent
Campbell (South West Nova)
Clancy
Copps
de Jong
Dionne
Ferguson
Flis
Funk
Gardiner
Gray (Windsor West)
Guarnieri
Harvard
Heap
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
MacLellan
Maheu
Manley
Marleau
McCurdy
McLaughlin
Milliken
Mitchell
Nystrom
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Robinson
Rodriguez
Skelly (North Island—Powell River)
Stupich
Turner (Vancouver Quadra)
Waddell
Wappel
Young (Beaches—Woodbine)—99

Assad
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Bevilacqua
Blaikie
Boudria
Butland
Catterall
Comuzzi
Crawford
Dingwall
Duhamel
Fisher
Fulton
Gaffney
Gauthier
Grey (Beaver River)
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
MacWilliam
Malépart
Marchi
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Nunziata
Ouellet
Parker
Phinney
Proud
Rideout
Robichaud
Rocheleau
Simmons
Stewart
Taylor
Volpe
Walker
Wood

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cardiff
Chadwick
Charest
Collins
Cooper
Couture
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland

Andre
Attewell
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Casey
Champagne (Champlain)
Cole
Cook
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine

Fretz	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Holtmann
Horner	Horning
Hughes	James
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Kindy	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McKnight	McLean
Merrithew	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—134	

The Acting Speaker (Mr. Paproski): I declare the amendment to the amendment lost.

It being 6.16 p.m., this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 24(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Thursday, May 4, 1989

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF SECOND REPORT

Hon. Bob Layton (Lachine—Lac Saint-Louis): Mr. Speaker, I have the honour to present the second report of the Striking Committee. If the House agrees, I intend to move the adoption of this report later today.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

NORDION AND THERATRONICS DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)) moved for leave to introduce Bill C-13, an Act to authorize the divestiture of Nordion International Inc. and Theratronics International Limited.

Mr Speaker: Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—SECOND REPORT OF STANDING COMMITTEE

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, if the House gives its consent, I move concurrence in the Second Report of the Striking Committee presented to the House earlier this day.

Motion agreed to.

* * *

• (1110)

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the Parties, and I would like to take this opportunity to thank opposition Parties for their co-operation. There is unanimous agreement to call report stage and third reading of Bill C-7, pari-mutuel betting. The Government has one speaker who will make very brief comments. The opposition Parties may wish to respond, and it would then be intended that the vote take place immediately.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Agriculture) moved that Bill C-7, an Act to amend the Criminal Code (pari-mutuel betting), be concurred in.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Lewis (for the Minister of Agriculture) moved that the Bill be read the third time and passed.

Mr. Murray Cardiff (Huron—Bruce): Mr. Speaker, before I speak to Bill C-7, I would like to acknowledge the co-operation of opposition Parties in allowing speedy

passage of this legislation at second reading stage and in committee.

This initiative will benefit the industry without drawing on the public purse while still leaving the provinces an independent choice on the implementation of theatre locations and operations. The Bill will allow the federal Minister of Agriculture to set out the conditions which must be met before a permit will be granted for this form of pari-mutuel wagering.

The primary condition is contained within the legislation. Provinces must agree independently to license any teletheatre. Further conditions will be set out by the Minister in regulations. The regulations would be consistent with current provisions governing other types of pari-mutuel wagering.

Through the regulations, federal controls can be sensitive to different circumstances across the country. They will also permit flexibility in the requirements for teletheatres if regional circumstances alter.

The horse racing industry provides thousands of jobs in the rural areas of Canada. Because it does so, it is worth while for this House to remove any unnecessary obstacles to its continuing health. That is the intent of this Bill. Therefore, I request favourable consideration for the small modification in current rules proposed in this legislation.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise this morning to give our consent to the passing of Bill C-7, a Bill that will legalize theatre-style wagering in horse races off the grounds of race courses. I would like to indicate to Hon. Members opposite that we are giving support to this Bill but we also wish to indicate that we are not setting a precedent and that as long as there are suggestions and Bills that come before the House that are reasonable and acceptable, we will support them. However, this is not a precedent and certainly may not always be the case, but we do give our support to the Bill.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, first, I would like to thank my colleagues in the New Democratic Party caucus for allowing us on our Opposition day to spend a short period of time getting this Bill to the starting line. I also want to say that this is probably the first and last time I will expedite anything the Government brings forward in such a manner.

This is my cease-fire. On behalf of the 300 horsemen and women in the Sudbury Basin who are depending on this Bill, I would like to thank the Government and all Hon. Members of the House very much for expediting this Bill. Now the cease-fire is over.

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

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Paproski): Before putting the motion standing in the name of the Hon. Member for Oshawa (Mr. Broadbent), since today is an allotted day, pursuant to special order, the House will go through the usual procedures to consider disposing of the Supply Bill in view of recent practices. Do Hon. Members agree that the Bill be distributed now?

Some Hon. Members: Agreed.

Mr. Milliken: Mr. Speaker, I rise on a point of order. The question I would like to put in connection with the Bill arises out of the interim supply notice that appears in the Order Paper. It appears that today the Government is asking that nine-twelfths of the funds required for the financial year ended March 31, 1990, be granted, and that is what will be in the Bill that is about to be distributed.

My question is for the Government House Leader as I presume he will answer it. Are the funds that were taken by the Government by special warrant of the Governor General contained in the reports that have been tabled in the House included in this Bill or are they in addition to it? In other words, does the Government consider that it already has one and a half months of supply based on the special warrants and is asking for an additional nine months of supply or are the funds that have already been taken included in the nine months that are being requested in the Bill that I believe we are about to see?

Mr. Lewis: Mr. Speaker, I am reading from the notes that will be provided to the President of the Treasury Board (Mr. de Cotrét). The question that is usually asked is whether or not the Bill is in substantially the same form as that passed in previous years. This time there is a change. It is the same except that it includes provisions associated with special Governor General warrants. The notation is also made that the proportions requested in the Bill are intended to provide for all necessary requirements for the Government of Canada up to October 31, 1989.

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

Hon. Edward Broadbent (Oshawa), moved:

That this House condemn the Government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

He said: Mr. Speaker, nothing better illustrates the true nature of the Conservative Party of Canada than the Budget we have been debating in this House for the past week or 10 days. The Conservative Party, to put it bluntly, is completely two-faced. Conservative Members have one face for the people of Canada during an election campaign and another face for the people of Canada after they form a Government.

During the election campaign, not only the Prime Minister (Mr. Mulroney) and leading members of his Cabinet but Members of Parliament on the Government side then seeking re-election or election for the first time went around Canada talking about the importance of child care, the necessity of regional development programs, the fundamental importance of tax fairness, the preservation of the unemployment insurance scheme and the fact that social programs in Canada constituted a sacred trust.

• (1120)

After the election, after they get their majority, we discover that Dr. Jekyll is replaced by Mr. Hyde, and the true nature of the Conservative Party is revealed. The hypocrisy could not be more blatant. In fact when it comes to the duplicitous use of the language, George Orwell's *1984* could be retitled 1989 and set in Canada as a contemporary illustration of doublespeak. These guys, to put it bluntly, the Prime Minister (Mr. Mulroney) and the Minister of Finance(Mr. Wilson), have the nerve to call their Budget fair. They have the effrontery to say that the greatest set of tax increases they want to impose on the people of Canada since the Second World War is equitable.

Is it fair to put a means test on pensions while more than 80,000 profitable corporations are left untaxed? Is it fair, with unemployment over 10 per cent in the regions, to cut regional development programs right across the country? Is it fair, with close to 1.5 million kids being denied access to child care programs, to have the party in power, that promised to move expeditiously on child care at the first chance with its Budget, to cut out all its commitment to expanding the number of child care spaces? Is it fair, with literally millions starving in the Third World, and we living in a prosperous part of this planet, part of a small minority, for the Government to take such a disproportionate cut out of programs designed to aid the poor and the wretched of this planet?

An Hon. Member: No way!

Mr. Broadbent: Mr. Speaker, is it fair to talk about fairness itself in taxation when the record shows that, after this Governments' Budget goes into effect, the richest 1 per cent of Canadians compared to when the Tories were out of office and when they came back in 1984 will have their income tax cut by some $900 while the average income tax increase—income taxes alone, not other taxes—for the average family will go up by some $500? Is it fair to redistribute income upward from the average to the rich? It may be fair for the Conservatives, but it is not fair for us and it is not fair for the average Canadian.

Is it fair to see the aboriginal people of Canada, the real founding people of this part of the planet, living in the most deplorable circumstances of all Canadians, for the Government at this particular time to reduce their access to post-secondary education?

In this context, is it fair to be singling out, as the economic and social problem to be faced by Canada in the next couple of years, the deficit when more than $34 billion of deferred taxes owed by the corporate sector in Canada is left untouched? It may be fair for the Conservatives to talk that way, but it sure would not be a concept of fairness held by people in the New Democratic Party.

Some Hon. Members: Hear, hear!

Whatever the Minister of Finance may say in this House, whatever the Prime Minister may say outside and whatever the back-benchers of the Conservative Party may be saying all across Canada in the next few weeks trying to defend the indefensible, I note with interest and pleasure that a large majority of Canadians from Newfoundland to British Columbia in response to a question in the last three days about the fairness of this Budget and the fairness of this Government, have said overwhelmingly that this Budget is unfair. The people of Canada understand what is going on.

This kind of politics does not represent fairness for the Canadian family. It is dishonest class politics of the worst kind. The kind of politics revealed in this Budget takes from ordinary Canadians and gives to the rich. Then the Government has the nerve to tell ordinary Canadians that what is being done is fair; not only fair, but that it is necessary. We in the New Democratic Party believe that this approach is neither necessary nor fair. Canadians did not vote for this, and we say that Canadians will not put up with this.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We believe that a democracy must serve the interests of all the people, not just the privileged and the powerful. In stating this belief, I know I am not speaking simply for the New Democratic Party of Canada, but for all of the people of this country. I say today what I have said before in a different context. It may well be the case that the business community has never before in Canadian history put all its financial and organizational resources behind a Conservative Party as they did in the last election. It may be the case that the business community, through the spokespersons of organized groups that have come to speak to the cabinet Members, and specifically the Minister of Finance before he prepared his Budget, spoke from their points of view and their points of interest. I want to say to the Conservative Government, it was not just the business community that voted the Conservative Party. It was ordinary people all across this land who voted and elected a minority on the opposition side, but the majority of Conservative voters were ordinary people. It is time this Conservative Government listened to the ordinary people who voted for them.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: Let us now consider our tax system, Mr. Speaker. I already mentioned that after this Budget, an average family will pay $500 more than in 1984, while the wealthier will pay $900 less. In 1961, corporations in Canada bore 20 per cent of the tax burden here in our country, but it is now only 11 per cent. I ask the Minister of Finance (Mr. Wilson) this: Why increase the tax burden for the poor in Canada, why such an increase for average families but none at all for large corporations? The simple truth is that the Conservative Government, like the Liberal Government before it, is not prepared to tax those who hold power and wealth. Big business benefits from a whole range of government programs and services: financing, research and development, personnel training allowances, rescue plans, interest-free loans, even infrastructure like roads, railways and airports. Average families pay the large corporations' share, although taxes for these families will go up $700 this year and a further $1,000 by 1991 with the new regressive sales tax.

The business community has made reducing the deficit this Government's number one priority and it is this same business community which is largely responsible for the deficit. Big business is not calling for an end to their preferential treatment which has enabled them to defer $34 billion in taxes, an amount equivalent to the federal deficit that concerns them so much. If the Government shares their concern, why did it not at least introduce a minimum income tax on profitable large corporations such as the United States now has? What is needed is a thorough analysis of all tax expenditures, in order to eliminate loopholes that put an additional burden on Canadian taxpayers without being of any benefit to the Canadian public.

Some financial incentives to business are justified, such as measures to assist regional development and R and D.

But if the Government wants to increase its revenues, the Income Tax Act is a real gold mine, or it would be, if the Government had the guts to make its business pals pay their fair share of the tax burden. Let's look at unemployment insurance.

• (1130)

[*English*]

I heard real concern from my colleague, the Member for Nickel Belt (Mr. Rodriguez). He was at committee with the head of the Economic Council of Canada. Yesterday, the head of the Economic Council of Canada came before that committee and my colleague asked about the current level of unemployment being at 7.5 per cent. If I remember correctly, the original mandate of the Economic Council of Canada was set up in 1963. Its obligation was to set out a target and make proposals to the Government of Canada for achieving full employment. Originally, the *raison d'être* of this organization was to propose means of moving us toward full employment.

When asked about the current level of 7.5 per cent, the head of the Economic Council of Canada stated that 7.5 per cent is full employment. I remind that person now, and I remind the Government that, in 1963 when that Council was set up, 3 per cent was said to be full employment. In my early years here in the early 1970s that was changed to 4 per cent by the then Liberal Government. Therefore, we have to redefine constantly the new level of acceptability which went up to 4 per cent, and now, as the head of the Economic Council of

Canada states, 7.5 per cent. That may be good enough for the Conservatives, but it is not good enough for a kid in Kamloops who has no job and has to move to Oshawa, or someone in the northern part of Québec who would like a sensible regional development policy in order that a young boy or girl can stay there and not have to move to some other part of the country. We do not accept 7.5 per cent. We believe that 3 per cent or 4 per cent is the absolute maximum when talking of unemployment levels in this country.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: If we consider the unemployment insurance scheme, the changes the Government wishes to make in the regulations are totally unjustified. It wants to make the unemployed pay for their own retraining and skills upgrading. It wants to make workers finance most of the Unemployment Insurance Fund. Instead of going after unemployment, the Conservative Government is going after the unemployed. It cuts financing for regional development programs, at a time when, as far as unemployment is concerned, most of the regions have yet to recover from the last recession.

This is a time to be imaginative and innovative in finding ways to help our poorest regions. It is not a time to take the kind of *laissez-faire* attitude this reactionary Government has shown.

[*English*]

If the Government wanted to move simultaneously on the unemployment problem and the debt problem, one of the most effective ways of dealing with that would be to bring down the rate of interest. What the Government has done in the past year with interest rates, and deliberately permitting the Governor of the Bank of Canada to increase interest rates year over year, has added some $5 billion to the debt load that Canadians have to bear and which the Government keeps reminding Canadians to be concerned about. Of course we have to be concerned about the deficit, as we are concerned about other economic and social problems. However, it is the government action itself in terms of the interest rate policy that has exacerbated this problem.

Today interest rates are at record levels in terms of the real interest rate. They are 3 percentage points above the United States and among the highest in the western world. If the Government wishes to take a concrete policy decision that would have a major positive effect, both in bringing down the deficit or our debt charges and in aiding small business across the country, then now is the time to have a direct word with the Governor of the Bank of Canada and to tell him that there are sensible economists in the country who state that the interest rates should be brought down, and brought down now.

Some Hon. Members: Hear, hear!

Mr. Broadbent: If Mr. Crow will not do it, then the Government should say: "Mr. Crow, it's time to go", and put it to him as directly as that.

Tax unfairness between ordinary families on the one hand, and the rich and corporations on the other, is the most unacceptable short-run aspect of the Budget. The attack on universality of social policy is unquestionably the most serious long-run betrayal of the Canadian tradition.

I wish to digress for a moment before I address that issue. As a Member of Parliament and a Party Leader who has been here for some years, I have been more than a little interested in what the Liberals have had to say on the Budget, especially when it comes to social policy. Frankly, the creative years of innovative policy in Canada came in the 1960s when the Liberals and Conservatives were both in power at the national level, and I will not go into all the causes for that, but high among them was the creative role played by the CCF and the Government of Saskatchewan in setting the agenda. However, at the national level of politics in the 1960s we did have innovation. We did have decisively important changes in hospitalization, in the pension domain, and in medicare. It has been remarkably interesting for me to hear the Liberals, particularly in this context, defending social policy tradition.

I have been here since 1968 and during that period of time there has not been a single new comprehensive social policy introduced by the Liberal Party of Canada while it was in power. In fact, now that these modern day

defenders of social policy are in the Opposition, I wish to point out something about their record in social policy and health care. In 1982 it was the Liberals who introduced a $4 billion cut in transfer payments to the provinces in terms of financing health care.

When it came to pensions it was the same Liberals in power who put a cap on indexation for pensions with a six and five program. I remind the same Liberals who now talk so vigorously about the need for a child care program that I was here in 1970 when we had a royal commission make a report on child care for federal action. Year after year when we asked the Liberals in power to do something about it, we were told: "No, no, it couldn't be done". In 1984 there was a new Leader of the Liberal Party, a man to whom we paid tribute in the House yesterday. I remember well that, in the 1984 election campaign, when he had to choose between child care and the deficit, he explicitly stated that child care could not be proceeded with in 1984 because the Liberals had to deal with the problem of the deficit.

The modern Liberal Party, and the same finance critic talked about taxing back social benefits a few weeks ago. It is the modern Liberal Party that took action against health care and pensioners, and did nothing about child care. When we hear members of that Party crying, we see crocodile tears.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I wish to say something about the importance of the universality principle in social programming. For me this goes to the root of the problems with the Government. I say with care and I think with precision that the Conservative Government now in power wants to turn the clock backward. It wants to move us away from the type of society that we have been developing, particularly since the Second World War. Since the Second World War there has been a growing consensus in Canada among men and women outside political Parties toward the establishment of a new part of the Canadian tradition. It is one that acknowledges that the market economy is immensely important and desirable, but also acknowledges that government leadership and the active participation of government in the organization of our lives in society as a whole is absolutely necessary if we are to achieve a sense of equality and community.

• (1140)

As we can see clearly in Margaret Thatcher's Great Britain at the close of the 20th century, and in Ronald Reagan's America, if the market economy is left to its own devices, for all its productivity, and is not met by an equivalent power provided by government in this society, the market economy will pull people apart rather than bring them together. It will produce less of a sense of community rather than more of a sense of community. Rather then creating more equality, it will diminish equality. It will exacerbate the problems of community rather than reducing them.

The Government is clearly moving us back to an earlier model of a society which is completely dominated by the market-place. I have spoken in general terms because it is important in political life from time to time for all politicians from all Parties to describe in terms of broad values what kind of society we are talking about. I want to bring it now to the concrete description and say why I, as Leader of the New Democratic Party, am concerned about what is being done in terms of social policy in this Budget.

I am deeply disturbed about what is happening as a result of our turning our pension plan into a means-test program. That is what is being done.

Our social policy is one in which we have evolved toward the principle that a citizen has certain rights as a citizen which include social rights and not simply individual rights.

In other words, most of the rights we guaranteed in the Charter of Rights in the early part of this decade and those rights that have been established in democratic societies throughout the world, are essentially negative, with positive implications. That is to say, they restrict people from interfering with each other, and restrict states from interfering with individuals so they may act freely as individuals in exercising their choice in a democratic society.

However, social democratic societies in western Europe and many parts of Canada have quite consciously evolved the notion that a citizen is entitled to certain social rights in addition to individual rights, and these positive rights which the people of Canada have bestowed upon themselves through the democratic system include things like pensions and medicare, which we have taken out of the market-place. Unlike the United States, we have said that a Canadian citizen is not only entitled to freedom of expression, to the appropriate processes in our courts, and free elections, we are also

saying that whether or not he or she makes enough money in a market economy, when it comes to illness a rich man and a poor woman, when it comes to education a rich child and a poor child, when it comes to pensions, the rich and poor are all entitled as citizens of Canada to the same right to a certain social policy.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I am the last one to want to disturb the Hon. Member during his speech, but the provisions of Standing Order 81(20) state that during opposition days the speeches are 20 minutes long plus questions and comments. I would hope the Hon. Member would conclude, and then we could have questions and comments.

Mr. Broadbent: Mr. Speaker, I would appreciate just a few minutes to conclude. I see government Members and members of the Opposition agree with that, and I appreciate it.

As I said, this is a matter of great importance to my Party and to the people of Canada. What the Government is doing with pensions is to suggest that no longer will these be regarded as a universal right. It is applying a means test. If the Government says it will start applying a tax-back principle at $50,000 on pensions this year, next year it could be $40,000 and then $30,000. This year it may be the bank president, but next year it could be the school teacher and after that the bank clerk.

Our Party does not believe that this is the right approach. Not only is it bad for pensions to start putting a means test on them, but if the Government moves on pensions today, the same principle could apply to medicare tomorrow. If the Government gets away with means testing on pensions today it will attempt to means test medicare tomorrow, and we in this Party will not tolerate that approach.

I do not want to abuse the generosity of the House which just permitted me some extra time already, therefore I will leave untouched certain other matters.

I will simply conclude by saying there should be no illusion about what is involved in this historic Budget debate. We are dealing with two quite different visions of Canada. One vision is that of the Conservatives who want to take us literally backward while they talk about the future. It is the reduction of a view of life to what could be seen as a sort of great cash register in the sky. I reject that view of society, as I am convinced most Canadians reject that view. The only difference I see between Margaret Thatcher in this regard and the present Government is that at least Margaret Thatcher is honest about what she is trying to do.

The other vision is that of a social democratic movement that says yes to economic efficiency and market principles in the economic domain but also says that life and society can never be reduced to a set of economic relations, that life has other crucial elements of joy and creativity, and that people must use their democratic government to make sure that equality, liberty and community do not only survive but that they thrive in this Canada of ours.

Some Hon. Members: Hear, hear!

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I listened with great interest to the speech made by my hon. colleague, the Leader of the New Democratic Party (Mr. Broadbent). I want him to know that I do not dispute in any way his genuine concern for fairness and equality among Canadians. I am sure he will accord myself and all other Members of the House the same in terms of their genuine concern for social justice in Canada.

I will not quarrel with his remarks about taxing the rich. I realize that he puts it as a matter of principle. However, I think there is great support in this country for the concept that we must temper these rules with common sense. If people who do not require financial support from government are receiving it, we cannot simply regard that as a matter of principle and not attack the reality of the situation. Again, I think he will realize that there are legitimate concerns on both sides.

• (1150)

I want to pick up on a remark that the Member from Oshawa made on interest rates in this country because that is a genuine concern to all Canadians, particularly to Members of this House of Commons. I want to remind him, as I am sure he is well aware, that in the early 1980s when interest rates soar%d to 19 per cent and 20 per cent more on á!residential mortgage,that wreaked havoc across the country and it literally destroye families in their search for a better future. I am sure none of us want that to happen again. The problem is though, how do we prevent that, from occurring again?

What the Progressive Conservative Party belietes, through this Budget, through the Hon. Minister of Finance's (Mr. Wilson) initiatives, is that we will in time ensure reasonable interest rates in this country based on a strong national economy, based on a strong national Treasury and based, most importantly, on reduction of debt and deficit so we will not cause interest rates to rise. I think that is the thrust of the Budget and I am sure Canadians understand that.

I have a question that I want to put to the Hon. Member. He suggested that the solution to interest rates at the present time in Canada is not the Budget and the budgetary measures, but that instead the Minister of Finance should sit down with the Governor of the Bank of Canada and tell him to lower interest rates.

The Member has a long history in this House and we appreciate the contribution he has made to it and to Canada, but I am sure he remembers the dispute between another Leader of the Progressive Conservative Party and another Governor of the Bank of Canada and what havoc that created when the Government told the Governor of the Bank what to do. This led to his resignation, to economic havoc in the country, to actions in this House of Commons and to all kinds of related problems.

I cannot believe in 1989, with the credibility the Bank of Canada has developed over the years, with the faith and confidence Canadians have in the governance of the Bank of Canada, that the Member is now suggesting that the Minister of Finance trot across the street and tell the Governor of the Bank of Canada what to do. What does he think would happen if that occurred? What does he think would happen internationally to the view held of Canada around the world? He knows we are dependent in monetary matters to what goes on in other places. Surely he does not want to erect a wall around Canada and cut us off from the rest of the world and make us another banana republic.

Mr. Broadbent: Mr. Speaker, that question was almost as straightforward as the ones we ask in Question Period.

Do I want to create a banana republic in Canada? The answer is, probably no.

Some Hon Members: Oh, oh!

Mr. Broadbent: It is definitely no. The serious matter that the Member asks about is whether we believe that the Minister of Finance should have ultimate responsibility for interest rates. The answer to that is an unequivocal yes. As to whether the Finance Minister should trot down to the bank, knock on the door and say to the Governor of the Bank of Canada, "Do this forthwith", that is not what I meant.

I have said, in a different context, that whether one is talking about Canada or if you look at the way the Government functions in Japan, France or West Germany now, I do not believe for a minute—and I would not think that the Hon. Member does—that people in those countries in their financial institutions having the position equivalent to the Governor of the Bank of Canada, if he or she—and they are all men right now—were not pursuing the policy of the Government of the day they would not have the job. That is what I am talking about. You do not give it necessarily a 24-hour notice but, as the Member knows, the Minister of Finance meets regularly with the Governor of the Bank of Canada, and what he ought to do in those meetings is to indicate that the direction of the policy has to change. That is the way it would be done. It would be talked about in very serious, direct terms in a meeting, and then the Minister of Finance would sit back and watch and see if the policy began to change. If the policy did not change there is not doubt in my mind or in my Party's mind where we stand. If that policy does not begin to change and change soon then the Governor should be replaced. That is how you do it.

Mr. Rodriguez: Just like the president of VIA.

Mr. Kindy: Mr. Speaker, I will be brief. Could the Leader of the New Democratic Party comment on a statistic that I will mention? It concerns the personal income tax that Canadians have to pay. In 1977 it was 40 per cent of government revenue. In 1987 that had increased to 45 per cent. On the other hand, the corporations in 1977 were paying 17 per cent of government revenue and in 1987 that amount had dropped to 11 per cent. Does he think that corporations pay their fair share of government revenues?

Does the Hon. Member think that the projected value-added tax or the goods and services tax has an inflationary component? Is it regressive in the sense that it punishes low-income earners, and is it fair?

Mr. Cooper: Are you guys paying his salary?

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): You are on the road to Damascus.

Mr. Broadbent: Mr. Speaker, it has been very rare since I have heard such an intelligent, imaginative and thoughtful question.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would simply say that I accept the implicit conclusions from the questions, as the Member did, I think, listening to my speech, and express my hope that at two o'clock when Question Period begins in the House he will raise those questions for the Minister of Finance.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to start by thanking the Hon. Member for Hamilton East (Ms. Copps) for her courtesy in making it possible for me to rise in the House at this time, especially since this will give me a chance to leave on departmental business right away.

I will not be as complimentary about the substance of the speech by the Leader of the New Democratic Party, the Hon. Member for Oshawa(Mr. Broadbent). I must say I am astonished by both aspects of the motion before the House today, a motion that complains about a lack of fairness in the Budget and, secondly, condemns the Government's commitment to the environment.

I would like to comment very briefly on the first aspect, which will be dealt with at length by my fellow Members. I was very surprised, when listening to his criticism of the Budget, that the Hon. Member for Oshawa failed to consider the fundamental issue of governmental responsibility for taxation and for sound government finance.

We are all sympathetic, and we all agree, that a government's first commitment must be to the social aspects of its mandate and that the social programs of a country like Canada form the basis of our Government's mandate.

That being said, the best way to guarantee that social programs will be preserved is to maintain a strong government that is able to intervene and to stand by its commitments to our neediest fellow Canadians.

However, there is no indication in the comments and criticisms of the Opposition—an Opposition that criticizes because that is its duty, its role, and that is perfectly legitimate—we never see any recognition of the fact that we have, throughout the country, a responsibility for public finances, and that those finances must absolutely be sound if we are to maintain social programs. In other words, our responsibility is not just to Canadians living today who are having trouble surviving, we also have a responsibility to future generations. We all inherited a country led by a government that had no debts. When we were born, when we started to work, when we got our firt jobs, we were living in a country that was built on a very sound financial foundation.

Mr. Speaker, I hope, we hope, and I am sure the Opposition Parties do as well, for reasons that are laid down in their respective programs, to be able to leave our children the same country we inherited.

As far as the environment is concerned, and that is the question that interests me more directly, I am truly astonished. First of all, I deplore the psychological inability of Opposition Members to show any recognition for what the Government has accomplished in this field.

• (1200)

I will not dwell upon the issue because we have already done so. Still it might be appropriate to recall that ours is the first Government which passed comprehensive legislation touching on all environmental aspects and establishing the framework and course of an environment program for all future administrations in Canada—including provincial governments.

This legislation defines corporate and individual responsibilities, giving the Government additional and extremely extensive authority to protect the environment. And, of course, it was our Government which was the driving force behind the signatories to the 1987 Montreal agreement, the first major such international achievement with respect to atmosphere and ozone protection. Thanks to the effort of this Government, Canada now stands among leaders in the fight to protect the environment.

However I can see that Canada's outstanding reputation abroad has never been something that would make Hon. Members opposite stand proud. Yet it seems to me there are times when all Canadians ought to rejoice over the fact that this country is known the world over for spearheading the advance in environmental matters.

For example, I heard Opposition critics bemoan the fact that, later this evening in Washington, international environment champion Mrs. Brundtland will present an award to the head of the Government of Canada and our country's Prime Minister (Mr. Mulroney) as recognition for his and his Government's efforts, but particularly for the achievements of all Canadians in the environmental sector.

Indeed this is the time when political biases should be set aside just so all Canadians can rally and be proud about the award to be given to the head of our Government.

Mr. Speaker, I would also like to remind the House that, on the acid rain problem, this Government has taken the most radical measures ever contemplated and that, two years ago, it signed with seven Canadian provinces agreements which will reduce Canadian acid rain emissions by 50 per cent by 1994.

We have good reason to complain about our American friends. But we must recognize that we have also been at fault and that we are still at fault. We also produce acid rain emissions in Canada, but this Government has taken action and reached agreements with the provinces that will result in a 50 per cent reduction in acid rain emissions in five years.

We are now in a position to tell our American friends it is their turn to act! That is what we hope to gain in the negotiations which should start in the coming months.

Mr. Speaker, I will rapidly go over what we have done for the Great Lakes and the St. Lawrence, the commitments that have been made, the programs that have been voted, as well as what we have done on the international scene.

[*English*]

—because Canada has a very prestigious record on the international scene. Canada has hosted a series of international meetings to address global atmospheric problems and has participated in numerous others.

At the 1987 meeting in Montreal the protocol to reduce ozone-depleting CFCs was developed. Next came the landmark Toronto conference on the changing atmosphere which resulted in the loudest call to date for international action.

A meeting of international legal and policy experts, hosted by the Government of Canada, was convened here in Ottawa last February. The experts drafted international legal principles for use in the development of a framework convention for protection of the atmosphere and a convention on climate change.

Although Canada only contributes 2 per cent of the chemical blamed for depleting the ozone layer, I announced on February 20 an immediate reduction of 85 per cent in CFC use and a commitment to the complete elimination of controlled CFCs within the next 10 years. This announcement was followed in subsequent weeks by a similar announcement and commitment on the part of the United States and European countries.

Incidentally, it was Canada that took the lead in 1987 in developing and adopting the Montreal protocol on substances that deplete the ozone layer. The momentum we established has galvanized the world into action.

We have committed ourselves to the principle of environmentally sustainable economic development. This concept has become a clarion call for all nations which are serious about their environmental priority. Thus the concept of sustainable development became a cornerstone of the April 3 Speech from the Throne.

Domestically, we have maintained the pace which was set during our first mandate. Most recently, my colleague, the Minister of Transport (Mr. Bouchard), and I announced jointly an accelerated attack on air pollution in Canada. We are putting in place the most stringent regulations that technology will allow to control emissions from internal combustion engines that burn fossil fuels.

[*Translation*]

But the most important decision in this field, Mr. Speaker, to implement the concept of sustainable development is the one taken by the Right Hon. Prime Minister of Canada (Mr. Mulroney) when he decided to set up a new Cabinet Committee chaired by the Environment Minister, the purpose of which is to put environmental concerns at the heart of government activity and all government decisions.

From now on, Mr. Speaker, the major decisions on the economy, energy, agriculture, fisheries and oceans will first be referred at some step in the process to the Environment Committee, which will suggest to the Government a way to harmonize all aspects of the environment, the economy, energy and Canadians' needs.

Mr. Speaker, it must be said, we talk a great deal now about the financial deficit in Canada, the budgetary deficit. It is a tragedy, as we all know, and that is why this Government is proposing the measures you know to Canadians and adopting them. But there is another deficit, the environmental deficit. And both deficits feed on each other and make the other worse.

What is an environmental deficit? It is nothing but the planet's decreased ability to support life and economic activity, in two ways. The first is the release of artificial and natural substances in the environment, this pollution that overloads the planet's ability to clean and regenerate its environment and which is a serious danger to health.

The second way is the direct decrease in the planet's productive ability: for example, overfishing, poor forestry and farming techniques. Eight per cent of our gross national product, Mr. Speaker, or $32 billion, comes from forestry, tourism, maple syrup production and related industries. All these fields of activity suffer from acid rain. The regions whose economies are most affected are Québec and the Atlantic provinces.

The Science Council of Canada has estimated that our national economy loses $1.3 billion annually because of the declining agricultural productivity due to soil deterioration. In Ontario, the corn crop has decreased 30 to 40 per cent and agricultural yields are down 10 to 75 per cent on the Prairies.

The resource sector provides gainful employment for one out of three Canadians and accounts for roughly 50 per cent of all our country's sales abroad. Regional economies rest squarely on most of these industries, but because the sector has been losing some of its productive capacity we can see that regional disparities are growing ever wider and we have to give large subsidies to individuals and companies alike. This has a very negative impact on the Budget deficit.

Repairing damages to the environment does call for new measures, better use of existing mechanisms, and an improved decision-making process. Far from being satisfied with picking up the broken pieces left by past mistakes and shoddy environmental management, we must gain full control over current activities, in total respect for our natural habitat, and adopt the kind of approach, method and technique which will prevent us from making the same mistakes ever again. That is the goal we have set for ourselves. That is our commitment to our fellow Canadians, and we are honour-bound to strive for the successful completion of all endeavours dictated by this commitment.

So this is why—despite the austerity program it must implement—the Government chose to boost the environment budget by something like $75 million while increasing the number of employees and cancelled this year's cut-backs which were planned a year ago.

Mr. Speaker, that works out to a 9.4 per cent increase over last year's estimates and gives the department the biggest budget ever since it was established 17 years ago. So much for financial straits! Mr. Speaker, it reflects the reassuring approach taken by the Mulroney Government with respect to the quality of life in this country!

And now, when we are discussing the Budget, one of the Opposition Parties moves a motion condemning this Government for failing to make the environment a priority. No government ever did as much for the environment as we did in the past few years or made such substantial commitments in a Budget tabled in this House.

Some Hon. Members: Hear, hear.

Mr. Bouchard (Lac-Saint-Jean): This budgetary increase, will enable us to proceed with a host of worthwhile projects. A centre for the international promotion of sustainable development will be established in Winnipeg. The National Round Table on the Environment and the Economy will provide leadership and form new partnerships of effort among Canadians in order to deal more effectively with environmental concerns and their relationship to the challenges of economic growth. None of the initiatives that are part of the new environmental agenda has been dropped. We intend to do what is necessary to limit the environmental impact of toxic chemicals through the development of regulations under the Canadian Environmental Protection Act.

We will also adopt new legislation to improve the quality of our water, and we will protect the environmental integrity of our arctic regions. We will work on improving the quality of the atmosphere through the negotiation of an acid rain accord with the United States and the implementation of the Ozone Protocol. We will pursue our international efforts to control toxic emissions and to stimulate the evolution of international institutions with a genuine responsibility for the economy and the environment.

Our initiatives to clean up the Great Lakes and the St. Lawrence River and, together with the provinces, to further the process of cleaning up dangerous landsites, will proceed. Next June, my provincial counterparts and I will receive the federal–provincial report on policy recommendations. We will also continue to encourage the expansion of Canada's environmental industry. That is a very important point. Many people believe that the environment insolves only negative measures. In fact, this is an area where because of the resources that have already been deployed, the initiatives that have been launched and the experience we have already gained, we as Canadians have a chance to open up vast foreign markets for our exports of environmental equipment.

Mr. Speaker, the Environmental Partners Fund will also go ahead. This fund will encourage individual Canadians to take part in community projects designed to find solutions to environmental problems.

In the agricultural sector, the Budget reiterates the Government's commitment to making environmentally sustainable development the focus of its policies. We must achieve a better integration of the concept of sustainable development in federal agricultural programs, and we intend to do so. We will start with a major review of our pesticides registration system. We have also ensured that toxic waste treatment plants are exempted from sales tax and commodity tax.

• (1210)

[*English*]

I have just described some of the activities which will be initiated by the Government in this Parliament. It will be a "green" Parliament, I can assure you of that.

Some Hon. Members: Oh, oh!

Mr. Bouchard (Lac–Saint–Jean): You will judge the results.

In closing, controlling the debt requires a concerted effort on the part of everyone, an effort now and for several years to come. The measures in the recent Budget attest to the seriousness of the situation. We had tough decisions to make and we made them.

Government program spending will be reduced significantly. Some plans will be put on the back burner. Others have been trimmed. We have done our best to ensure maximum return on the taxpayers' dollar. We have acted as reliable administrators.

We know that we must do more, but we must do it together. I invite you all to work within your cities, your communities, your workplaces and your families, to join in the implementation of fundamental changes which are not only our history but our instinct for survival, not only the collective morality, but our respect for life. Let us ensure that we will look back one day at this point in time as one in which we contributed substantially to setting the world on a new path, a path of respect for the values which impart supreme dignity.

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. MacWilliam: Mr. Speaker, the Hon. Minister for the Environment (Mr. Bouchard) has made some rather enlightening statements about the promises the Government has made with respect to environmental issues. I fully intend at a later time to demonstrate very clearly in this House just how shallow those promises are.

Many of the promises that have been made in respect to environmental initiatives have not been carried out by the Government. I intend to show very clearly that it demonstrates the kind of doublespeak that we have had from Members on the opposite side of the House on a number of issues.

At this point I would like to make comments and ask the Minister some very specific questions in terms of my own constituency which is located in the southern interior of British Columbia, the constituency of Okanagan—Shuswap. I would like to say that the concern for the environment is the primary issue, bar none. People throughout the Okanagan value the lifestyle of their communities and the quality of life in their communities. They are very, very concerned about what they consider as environmental problems.

I would like to ask the Minister very specifically what plans he has for protecting the watersheds of the Okanagan and Shuswap lakes with respect to encroaching Eurasian milfoil weed problems. Both regional governments and provincial governments have found it impossible to keep up with the spending necessary to fight this nuisance weed that is growing throughout the lakes. It is really affecting the tourism industry.

With regard to commercial houseboat activity on the Okanagan and Shuswap Lakes, and the problems of pollution with gray water and disposal of sewage waste, does he have any specific recommendation that he is going to be bringing forward to this House with regard to commercial activity on inland waters?

With respect to recommendations made to the Government by the National Science Council, is this Minister prepared to carry forward with the recommendations for the development of water research institutes and water research and development programs throughout this country.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I am always surprised to hear all the emotional attacks on what the Opposition calls double-talk of the Government. I know that it is a game in politics to say that, but sometimes in politics we should be allowed to say the truth.

I am very surprised to see that all this supposed strong commitment never compelled the Opposition to raise environmental issues during the electoral campaign.

An Hon. Member: Absolutely wrong.

Mr. Bouchard (Lac-Saint-Jean): We were ready to hear those questions. We were ready to deal with them during the campaign but the Opposition parties decided to wage large scale tactics and war during the campaign period. They tried to convince Canadians that the social programs would be destroyed, that we would become Americans. They forgot that the main concern of Canadians now is the environment. This should have been the main issue of the campaign. We were ready to deal with it but it was impossible because we had to reassure Canadians. We succeeded in the end but we lost precious time. The election campaign would have been an appropriate occasion to deal with those questions.

An Hon. Member: Answer his question.

Mr. Bouchard (Lac-Saint-Jean): As far as specific questions are concerned, we intend to introduce in this House a Bill on safe drinking water. Water quality is a great issue and a great concern of the Government. We will protect the water everywhere in Canada. I assure the Hon. Member that we will deal with his specific questions. We are waiting for reports on most of them. The Government is committed to the preservation of the park. This will be one of the cornerstones of our policy.

Ms. Copps: Mr. Speaker, I would like to ask a couple of extremely specific questions. The Minister has talked about the great contribution of his Government. Can he explain why in the course of his Government's mandates since 1984, if you factor in inflation and amounts that had already been budgeted in previous Liberal estimates, why his Government has cut $491 million from environmental spending? Second, over that period of the time, almost half a billion dollars has been cut. Why is this? The Minister claims that the money is still there for all these environmental projects. I would ask him to show me in the Estimates where the money is for the centre for sustainable development that was announced with such force by the Prime Minister (Mr. Mulroney) at the United Nations during the election campaign.

• (1220)

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I am surprised to hear the Hon. Member for Hamilton East (Ms. Copps) always going back to those 1984 Budget cuts. I wonder what the Hon. Member could say if the Government had not taken this wrong decision. We know it was a wrong decision. We know that the Government does not make only right decisions. We must have the frankness to admit that in 1984, a bad decision was taken. However, since then, the Government has done more than any previous Government including Liberal Governments, which did nothing about the environment. I was astonished to see that the former Prime Minister, Pierre Elliott Trudeau, was in Montreal last week with environmentalists speaking about the environment. He was Prime Minister of Canada for many years, but he never did anything about the environment.

The Hon. Member complains that the budget has been cut. In absolute figures, this environment budget is the most considerable budget ever voted by a government. The Hon. member asks specifically where is the money in the Estimates for the funding of the Winnipeg international centre. We all know that the commitment has been made by the Minister for External Relations (Mrs. Landry) that $5 million from CIDA funding will be used for that. If the Hon. Member does not find funding for all commitments made by the Government in the present Estimates, there will be Supplementary Estimates. There is a reserve and all of our commitments will be funded. I make the commitment that by the end of the year, this Government will have spent much more on environment than any previous Government.

Mr. Wappel: Mr. Speaker, I have been listening very carefully to the Hon. Minister's comments and I would like to begin my short comments by saying that it is obvious that all of us breathe the same air, we live in the same country and we use the same lakes. We all have concerns about the environment. It is a little depressing to constantly hear the Hon. Minister tell us what previous Governments did not do. We are interested in the environment of the future. We are interested in having our children able to breathe clean air. We do not need a history lesson.

The Hon. Minister asked why Members of the Opposition do not understand what the Government is doing to protect the environment and then he proceeded to give us a number of examples of what the Government was doing. I found it interesting to note that the first thing he cited as an example of what the Government has been doing for the environment was that the Prime Minister (Mr. Mulroney) received an award. An award does not do anything for the environment. I do not quite follow the logic of how the Prime Minister happening to get an award for whatever reason, political or otherwise, is an example of good environmental policy.

The Minister did set out a number of specifics which were of some interest. However, the Government has been around for five years and these things are only coming now. The Minister mentioned environmentally sustainable development and what I will call a "super ministry". I remind him that the Hon. Member for Davenport (Mr. Caccia) has been calling for a super ministry, for sustainable development and for a Minister who has over-all power over the environment for many years. The Minister should not pretend that this is a sudden Conservative brainstorm from the Cabinet.

My question to the Minister is very specific. He said that he had agreements with seven provinces. Does he have any agreements on acid rain with any states or with the U.S. Government? If he does, what are they? If he does not, what is going on with respect to negotiations with the United States on acid rain?

[*Translation*]

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I am greatful to the Hon. Member for asking a precise question on the acid rain phenomenon which represents a national disaster for Canada. This acid rain phenomenon was identified a great many years ago. As Canadians, we never paid much attention to it, but we have come to realize over the past few years that it is indeed quite dramatic.

I should like to remind the House that this Government was the first to raise this issue with the Americans and to open negotiations with them and to demonstrate to them that we were determined to put an end to this situation. We have gone half way. I mentioned that before. The Hon. Member has been kind and honest enough to recognize that we have signed agreements with seven Provincial Governments.

As far as the United States are concerned, however, let us not kid ourselves. Let us not count our chickens before they are hatched. Yet, the circumstances are such now that we may entertain a legitimate hope. The new Administration in that country has appointed people who have the trust and credibility of environmental organizations. The President of the United States has made very clear commitments. There is already a Bill before the American Congress. The Administration is supposed to introduce another one before the end of this month; after that, we will be able to open with them negotiations which, I hope in the interest of Canada as a whole, will help solve part of the acid rain problem.

The Acting Speaker (Mr. Paproski): The time allocated for questions and comments has ended. Debate. The Hon. Member for Hamilton East (Mrs. Copps) has the floor.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad that I will have a chance to raise a few points before the Minister leaves. I understand that he has to rush off to Washington, presumably to be a part of the ceremony that will be held for the award that is to be received by the Prime Minister (Mr. Mulroney) tonight. I would like to launch a challenge. I think the Minister would do far more for his credibility as a Minister if he encouraged the Prime Minister to refuse the award, an award given by a group that has an international record of ignoring the problems of acid rain.

The Minister has just called the problem of acid rain a national tragedy. If he really believes that it is a national tragedy, how could he in good conscience participate in an awards ceremony held by an organization that does not see acid rain as being a problem that should be combated in an international arena?

I would like to read some of the comments made by the head of the group that is honouring our Prime Minister: "Despite the odd cry of an acid rain crisis, acid rain is generally considered to be a long-term phenomenon .There is no current basis to support the contention that acid rain is a problem out of control, that acid rain is a widespread national problem or that acid rain is a recent problem".

The Minister has just called acid rain a national tragedy. Yet he and the Prime Minister are trotting off to Washington to get an award from a so-called environmental group whose primary function over the last number of years has been to lobby Governments to prohibit legislation governing the control of pollution. Is there not a bit of hypocrisy in the Government's decision to accept this award? Would it not restore the credibility of the Minister if he told his good friend the Prime Minister that this is one award that he should pass up?

I realize that the Government has a penchant for taking awards, some of which are undeserved, as we saw with the Oscar. This is one case in which the Minister could actually get public credibility by refusing an award. I am not surprised, however, that the Minister says one thing here and will probably say something completely different in Washington when he meets with this international business lobby today. He made a lot of strong comments in the House regarding the Rafferty-Alameda dam. I think it is a darn shame that the Minister of the Environment is unwilling and unable, to respect his own laws, that he has to be forced into the position of respecting his own laws by a Federal Court judgment. We all know the history of the Rafferty-Alameda dam, the history of subterfuge, of the federal Government refusing to acknowledge the fact that 13 per cent of the lands that were involved in the flooding of the Alameda project were under federal jurisdiction. The federal guidelines should have applied. When the Minister came into office, he was given the opportunity to reverse the negative decision of his predecessor and demand a full federal environmental assessment. Instead he refused. It was up to the courts to actually order him to carry out an environmental assessment which was supposed to have been done by his own Department.

• (1230)

Following that judgment, the Minister wisely stood in the House in support of the decision of the Federal Court and said that there was going to be full environmental assessment. Let us hear what he said a few days later when he was being interviewed on CBC's Saturday morning program. The CBC is asking:

> You use the words environmentally practical. In terms of the principle, the environment is not going to be protected were it practically and economically insupportable. Is that what you are saying?
>
> BOUCHARD: No, no, that is not what I am saying. I am saying that we must comply fully with environmental purposes with this case as with any other one. And furthermore, there is a practical aspect to it. If we are conducting the studies, this means we will be closer to be able to resume the work.

If the Minister of the Environment is truly serious about an independent environmental assessment as was ordered by the Federal Court, why would he be prejudging the results of such an independent assessment by suggesting that the sooner we get on with the study, the sooner we can resume the work? Perhaps, Mr. Speaker, in an independent process, the environmental review would show that it is not sustainable to construct the project, and the project would be quashed. But obviously by this signal sent out by the Minister very directly to his bureaucrats, to people in his own Department who will be carrying out this assessment, he is telling them directly and indirectly, let us get the studies over with so we can get on with the project. I thought it was the job of the Minister of the Environment to come in *tabula rasa,* to come in with an open mind as to whether or not the project should continue.

As far as I am concerned, the statement that the Minister made on the CBC—and it is a direct transcript from Saturday, April 15—is an absolute anathema to the independent environmental process. Indeed it makes a mockery of his very strong statements made earlier the House of Commons. Either the Minister is there to protect the environment and to provide independent review, or he is there simply to promote construction if and when we have got these little trivialities of environmental assessment behind us.

It is the same kind of doubletalk that we have heard with respect to the issue of water pollution and air pollution. We have heard the Minister say in response to the Member from the Okanagan that in fact he is going to be bringing in new legislation to clean up water. As the result of this Government's inability or unwillingness to lay charges on regulations that already exist with respect to pulp and paper mills in this country, we are in a ridiculous situation where, for example, there is a town in New Brunswick where they cannot even drink their water at the moment. They must use bottled water because their water has been totally polluted by the discharge from a pulp and paper company.

The Minister currently has the authority to go in and lay charges and make sure that his own regulations are being applied with respect to pulp and paper discharge. Yet he seems unwilling and unable to even apply his own laws. I wrote a letter a few days ago to the Prime Minister stating that the Minister promised to meet with the Mirimachi Environment Society specifically on the issue of the water which is currently undrinkable. The people in that community are actually drinking bottled water. The Minister said he would be willing to meet with them, and yet for some reason has been unwilling and unable to do so.

If you do not want to believe the statements of the Liberal Party, look at the Friends of the Earth. Look at the assessment that was done by Greenpeace in the spring of 1989 in which they examined the discharge record of the major pulp and paper discharge mills across Canada. The mills with the highest discharge in Canada in terms of passing and failing on discharge were: Crown Forest Products, fail, B.C. Forest Products, fail, CIP Forest Products, fail, Consolidated Bathurst Forest Products, fail, Corner Brook Pulp and Paper Company, fail. The record of the pulp and paper industry in cleaning up their own discharge is abysmal. The Minister has the tools in hand already. He has the tools available to lay charges. He does not need a new law. He does not need to reinvent the wheel. He has regulations at his disposal already which are not being applied.

The Minister himself has indicated that he is willing to move in and charge Consolidated Bathurst specifically with relation to a PCB spill. The people of Canada are counting on him for more than that. They are counting on him to lay charges.

When a community such as this community in New Brunswick is placed in a situation where they cannot even drink their own water, then we have a Minister of the Environment who is not doing his job. The Minister says he is going to clean up the water. If that is the case, why does the Budget include not increases, but cuts in the infrastructure for treating raw sewage?

Just a week ago, I was in Halifax. I had the displeasure of going on what is called the sewer tour. The discharge that comes out of every toilet in the Cities of Halifax and Dartmouth is currently going straight into the Atlantic Ocean. Instead of the federal Government following on a Liberal commitment to have a municipal infrastructure program that permits communities across this country to deal with their own waste, the Minister's own Budget shows cuts.

I refer specifically to the cuts that I have identified over the last five years. The Minister blames it on some past administration back in 1984. I would like to set the record straight because I think this nonsense about an increase in the environmental Budget absolutely presupposes that the Canadian people are either stupid or myopic. In looking at the Budget, you have to look at what would have been spent under estimates and what has been cut cumulatively over the last five-year period.

I would like to put some figures on the record. The Minister talks about his commitment in global terms. I have not heard the specifics. In 1984–85 and 1985–86, the cumulative cuts, including inflation as well as specific cuts, amounted to a loss of $82,147,000 in the environmental budget. In 1986–87, the cumulative cuts, if you take into consideration the purchasing power of inflation as well as the specific Budget cuts, amounted to a total cut of $178 million. In 1987–88, the situation was compounded. The over-all cut from what had been proposed and what would have been spent under a Liberal administration to what was spent under this Government was a $286 million cut. In 1988–89, a cumulative loss in the spending power of the Department and the Ministry of Environment in so far as research and all areas are concerned was $404 million. Admittedly the Minister has said that this particular budget represents a 9 per cent increase over last year.

Merely to go back to the real dollar terms of 1984, there would have had to have been at least a 20 per cent increase. That would have only brought it up to the level of spending of 1984, at a time when, according to the Prime Minister's own statement, the environment is supposed to be the number one priority. If it is the number one priority, can the Minister explain why the cuts, purchasing power as well as absolute cuts, have resulted in an over-all budget cut between 1984 and 1990 of almost half a billion dollars? To be specific, $491 million have been lost to the environment budget over the life of this Government. I find it incredibly hypocritical that the Government would continue to insist that the environment is a priority when the facts speak otherwise.

I asked a question in the House a few weeks ago. That was dealing only with the Minister of the Environment (Mr. Bouchard), but let us talk about the Ministry of Energy. For all the talk about what Liberals never did, when the last Liberal administration was in power this country had developed a reputation in the area of research and development into the use of alternative forms of energy. Back in 1984 the first thing that the Government did was to eliminate the solar program of the National Research Council. The Government does not believe in alternative energy because the first thing that the Government did was to cut the solar program, and the Minister has stated that that was back in 1984.

• (1240)

Why then in 1988, presumably a period during which the Minister had some influence, were there further cut-backs to renewable resource development in the area of energy? Why does the Budget announce the closing of approximately one dozen regional conservation and renewable energy offices in 1990-91?

When I asked this question in the House, the Minister of Energy (Mr. Epp) laughed. He stated that the reason the Government was no longer funding renewable energy under the Department of Energy was that people were working on making solar panels for their swimming pools. He thought it was a joke that it represented such a small portion, one which, according to the Friends of the Earth, represented $1 for every $19 spent on fossil fuel development. Why would the Minister of Energy laugh about the cut-back in the one area of energy development that leaves us some hope for the future?

[*Translation*]

Mr. Speaker, the same Prime Minister in his Throne Speech referred to air pollution problems, global environmental problems. It is quite easy to refer to the global level, but let us look at what is going on in his own Government, the half billion dollar cuts when inflation is taken into account in the environment area! To what purpose? When we know that $1 only is spent on renewable energy for every $19 spent on non-renewable sources, especially fossil fuels which as we know contribute to air pollution!

We know the Montreal agreement aimed at creating a system where renewable energy sources could supply power in order to protect the environment.

How come the Minister of Environment and the Minister of Energy are cutting down in 1988 on research and also on regional offices dealing with renewable energy?

When we see that our future as a country will be based on renewable energy, which at least will clean up the air we breathe and the water we drink! Unless they do not believe in that, but they cannot speak from both sides of their mouthes.

When I see the Prime Minister (Mr. Mulroney) travel to Washington, and no doubt tonight he will be referring to the great environment strides that have been made here in Canada—does he feel no embarrassment when receiving that award from a club whose first goal is to prevent governments from going ahead with legislation pertaining to the environment, especially in the area of acid rain? Would it not be better if the Minister asked his friend the Prime Minister to turn down that award, because by accepting it you are extending credibility to an agency aimed at preventing special legislation on acid rain and other international issues.

[*English*]

There are so many other areas that should be addressed in this particular motion. There are so many areas where we should not have confidence in the Government because we have to look at the record of what it has done over the last number of years. However, let us specifically refer to the possibilities that were open to the Minister over the last number of months.

For example, we know that tomorrow—not during the last Liberal mandate, not during the previous Minister's tenure—in the Province of British Columbia the Americans will be moving a barge which is full of spent radioactive waste. It will be moved through the border of Canadian waters down to Washington. We also know that at the moment the federal Government cannot

have very much pride in the way that we have handled collisions and spills over the last number of months. We only need to look at the Vancouver Island situation, or the fact that while the oil spill from the *Exxon Valdez* did not come into Canadian waters, we were certainly not prepared for it if it did.

That being the case, can the Prime Minister (Mr. Mulroney) guarantee to the House and to Canadians that the barge that is currently moving along the coast of British Columbia will not be involved in an accident? Can he guarantee Canadians that any accident involving spent radioactive waste would not forever finish off the potential for tourist development off the West Coast of British Columbia, as well as the potential for fishery development? I do not think that he can. That is why I hope that, as well as going down to give the Prime Minister some moral support when he accepts an award from a group that has no business calling itself an environmental group, he demands of the Government of the United States that the barge not be moved, and that a cease and desist order be put on the moving of that barge unless and until we can get absolute assurances that the spent fuel will be removed or until we have a chance to study the situation further.

The Minister will know that the first of 12 barges carrying nuclear reactors began moving along the Pacific Coast on Monday of this week. The second barge begins moving on Friday. Given that I contacted the Prime Minister myself on this issue yesterday by way of hand-delivered letter as well as fax, although his embassy seemed to close rather early, is the Minister prepared to demand of the American Government that no barge carrying radioactive waste be moved along the coast of British Columbia? These barges will be travelling within 55 kilometres of Victoria. Given the level of traffic along the British Columbia coast, I do not think it is safe to suggest that there will not be a mishap. A plan should be in place, and the barge should be accompanied by Canadian vessels. The whole operation should be put on hold until Canadians have had a chance to examine the movement of a barge that has the potential for wreaking radioactive disaster on the west coast of British Columbia.

I know that my colleague is heading off to Washington today. I am sure that he has already received a copy of my letter that I sent yesterday to the Prime Minister at the Canadian Embassy in Washington. If he is serious about his work, he will be raising this with the President of the United States today and putting a halt on the shipment of the second barge along the coast of British Columbia.

I believe, and Canadians believe, that he environment should be the number one priority of the Government. The record of the Government has been characterized by cut-backs and by lack of force even to implement its own regulations. The pulp and paper situation is an absolute disgrace. The law is there. A new law is not needed. Let us use the law already at our disposal. If we continue to see a Minister who seems happier about accepting awards from international polluters, and a Minister who is more interested in getting on with the Rafferty-Alameda project than he is about putting together an independent environmental assessment, then he is fast going to lose credibility within the environmental community, but more important within the community at large.

[*Translation*]

I believe Canadians are ready to make sacrifices for the environment, just as they are ready to make fiscal sacrifices. But all we ask is that the sacrifices be fair and give results.

Even if Canadians are to make sacrifices!

[*English*]

The Minister has stated that Canadians should be contributing. We should be, and we will. If that is the case, I would also like the Minister to take up the challenge to change the tax laws of the Government in order that more environmental groups will have access to non-partisan funding by way of charitable donations. That would be a step in the right direction, and something that the Government has categorically refused to accord to a number of environmental organizations because it considers them to be closet politicians. That is an area of action in which the Minister should be involved. That is an area in which the Minister should be involved. I encourage him to go to Washington to get the ear of the Prime Minister and the President of the United States to, among other things, stop the shipment of this nuclear reactor across the Juan de Fuca Strait and make sure he puts his money where his mouth is.

• (1250)

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Minister, then I will recognize the Hon. Member for Skeena (Mr. Fulton) and the Hon. Member for Winnipeg North (Mr. Pagtakhan).

[*Translation*]

Mr. Bouchard (Lac-Saint-Jean): Of course Mr. Speaker I share many of the concerns of the Hon. Member for Hamilton East (Ms. Copps). I admit indeed that some of her comments include interesting suggestions that I will examine and certainly consider. It is always a pleasure to discuss those matters with her, as the opportunity arose the other day at a departmental briefing. The doors of the Department are wide open to her, since I believe co-operation between the various Parties in this House is vital on such an important matter as the environment.

I would like to mention two specific concerns—I cannot deal with all of them, but I will deal with two particular concerns—first shipping along Canada's West Coast, and second paper mill pollution!

With regards to shipping of the West Coast, not only of nuclear waste but most certainly of oil products, much more important volume-wise, I believe indeed we must, be concerned about the future as Canadians, as Members of Parliament and as a Government. Of course we know the rules implemented some ten years ago are extremely stringent, extremely severe; they involve a lot of technology, a lot of control, and up till now, no one can suggest there have been that many accidents off our coast, in view of the volume of traffic, because as we know, two tankers a day ply off our coast on their way to Alaska from the American mainland.

On that, I would like if at all possible to reassure the Hon. Member and all Members in this House that the Government moved internally and we are in the process of rapidly reviewing all the rules, all the checks in order to prevent accidents and also improve our response were one to happen. But we believe there should also be public input into that general review of the regulations in that regard and we will have another opportunity to look at that later on. A ministerial committee is working on the matter, including ministers from the West Coast, and we believe public input should be introduced in order to foster credibility and widen the scope of the review underway.

I believe that this review, were it to lead to increased controls, should easily convince the Government to re-open existing agreements with the United States.

Second!

[*English*]

As far as pulp and paper mill pollution is concerned, the Hon. Member for Hamilton East (Ms. Copps) is substantially correct. The pollution created by pulp and paper mills throughout Canada is absolutely unacceptable. However, there is a problem. She says that we do not have to adopt a new law. It may not be a new law, but certainly new regulations are required because the regulations governing pollution by those plants were enacted in 1971.

I do not blame the Liberal Government of the day for having adopted those regulations because it may have felt them to be sufficient at the time. However, for many years now we have known that they are totally insufficient. Most of the paper mills are exempt from the application of those regulations. All mills built prior to 1971 are not regulated under those exemptions and those mills pollute the most because they use old processes. Furthermore, they form the majority. We can do nothing now.

What we can do is to substitute a new set of rules under the Fisheries Act and issue new regulations under the Canadian Environmental Protection Act to control furans and dioxins.

I can assure the House and the Hon. Member that we will act swiftly and strongly on those subjects.

Ms. Copps: Mr. Speaker, I notice the Minister did not respond to my analysis of the half billion dollars that have been cut. I will provide him with that information. Those figures are drawn from his own Estimates.

I am sure he has a copy of the report by Greenpeace on the discharge reputation and record of the mills that are already covered under his legislation. He will be aware that in most areas the mills failed even current regulations. I am not suggesting that he cannot improve the regulations to cover more mills, but the regulations already in place are not being applied.

I want to reiterate my position that it is not necessary to reinvent the wheel, he must start applying the law that already exists and coming down hard on companies that are flaunting the present law. It is not enough to say there will be new laws, we have to apply the current law or the Government will become a laughing stock and the companies will continue to discharge effluent, which is potentially cancer-causing and which creates a situation where some communities in Canada can no longer drink their water.

It is not enough for the Government to say that it will make new regulations for the future. It has to apply the current laws. I encourage the Minister to look at his internal report which was released by Greenpeace, and which was kept secret by his Department for a couple of years, to see if he could not follow the recommendations in his own report.

Mr. Fulton: Mr. Speaker, I have a specific question for the Hon. Member. All Parties in the House have endorsed in one way or another the Brundtland report, the World Commission Report on the Environment, released two years ago. It deals on the one side with pollution and environmental destruction, but on the other, there is a very fundamental recommendation that applies to Canada. It is that we increase the amount of lands and conservation areas from its present level of about 5 per cent to 12 per cent.

We know, even in the area of national parks, that there are 39 bio-regions in Canada and only 20 per cent of those regions even have a small national park presence.

Would the Hon. Member for Hamilton East (Ms. Copps) support that basic recommendation, that 12 per cent of the lands in Canada be set aside in various conservation zones, keeping in mind that only 1.3 per cent of the lands in Canada right now are in national parks? I think the issue of conservation requires all-Party solidarity to move toward that 12 per cent minimum target.

Ms. Copps: Mr. Speaker, I know it is not the custom of the House to thank anyone, but I would like to thank the Speaker for having put together a presentation a couple of weeks ago, which originally arose from the question of the Brazilian rain forest. While I have experience with environmental questions in relation to my own community, it was extremely effective in bringing home to me as the environment critic how quickly we are losing our own indigenous forests in Canada, which, in some cases, date back 2,000 years.

We must ensure that we do not fall into the trap of demanding action in Brazil or the Third World when, in our own areas in Canada—the most beautiful forest-laden country in the world—we are fast killing off our own forests.

I certainly agree that the Brundtland recommendation of 12 per cent should be our objective. Whether that can be achieved in this Parliament or the near future is something the Environment Committee will look at in the next couple of weeks.

Mr. Pagtakhan: Mr. Speaker, the people of Manitoba greeted with joy the announcement of the Prime Minister (Mr. Mulroney) before the election that the International Centre for Sustainable Development would be established in Winnipeg. Of course, they were disappointed when they heard in the Throne Speech that the Government would only participate.

Earlier, in response to a question by the Hon. Member for Hamilton East (Ms. Copps), I thought I heard from the Minister of the Environment that money is available in the present Estimates, although we do not see it very clearly.

• (1300)

I have a question for the Hon. Member for Hamilton East (Ms. Copps). Does she think it is a must, that it is fair and ethical that establishment of this Centre for Sustainable Development should start this year if it is truly within this year's budget?

Ms. Copps: Mr. Speaker, if you have been following the debate you would know that when I asked that specific question of the Minister from where the funds were coming in this year's Estimates he was unable to tell us. Basically he—

[*Translation*]

Essentially he appealed for supplementary Estimates.

[*English*]

He made an appeal, saying that maybe that matter will come up in the Supplementary Estimates.

I am disturbed and appalled that the Prime Minister (Mr. Mulroney) would use an international forum like the United Nations, which is the forum that he used, in a rather convenient way, to launch this pre-electoral promise if he did not intend to follow through on it. If he gave a partisan political speech in Hamilton, people might expect him to make promises that he has no intention of delivering, and from this Prime Minister that would not be a surprise. But it was a surprise that he abused the United Nations in this way.

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

At 1.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O.31

[*Translation*]

HEALTH SERVICES

REQUEST FOR CREATION OF SENATE COMMITTEE

Mr. Guy St–Julien (Abitibi): Mr. Speaker, on May 2, Senator Paul David made a speech in the Canadian Senate in which he roundly criticized this country's health care system and even suggested a substantial increase in salaries and better working conditions for hospital nursing staff.

Dr. David stated that major capital investment was critical to meeting the needs of patients.

Canada's health care system is called the best in the world.

Mr. Speaker, I agree with Dr. David that a committee of the Senate should be appointed to review the advantages and the shortcomings of the system with the provinces, the agencies concerned and the public and propose solutions.

* * *

[*English*]

THE ENVIRONMENT

NORTHERN OIL AND GAS DEVELOPMENT

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, today the Prime Minister (Mr. Mulroney) meets with President Bush. Northerners and concerned Canadians hope that on his agenda for discussion with the President is the issue of proposed oil and gas development in Alaska's Arctic National Wildlife Refuge.

This development is opposed by the Canadian Government, the Governments of the Yukon and the Northwest Territories, and the aboriginal people in the Yukon and the Northwest Territories. The environmental consequences of development in the refuge could be devastating to northern aboriginal peoples.

The Canadian Parks and Wilderness Society has written several letters to the Prime Minister urging him to raise directly with the President Canada's opposition to this proposed development.

The refuge provides important habitat for musk–oxen, grizzly and polar bears, wolves and migrating snow geese. It is also the principal calving grounds for the porcupine caribou herd, which is the main food source for about 7,000 aboriginal people in Alaska, the Yukon and the Northwest Territories.

President Bush has said he supports development. The U.S. Congress has yet to make a decision on this issue.

The Prime Minister should remind the President that a 1987 agreement signed by the U.S. Secretary of the Interior and the Canadian Minister of the Environment requires both countries to conserve the herd and its habitat and to avoid or minimize activities that would disrupt the herd.

The Prime Minister must tell the President directly that Canadians and northerners will not tolerate a violation of this agreement, and that they do not want oil and gas development in this refuge.

* * *

[*Translation*]

SPACE AGENCY

LOCATION OF MONTREAL SOUTH SHORE

Mrs. Pierette Venne (Saint–Hubert): Mr. Speaker, the people of the riding of Saint–Hubert proudly welcome the Canadian Space Agency. The entire South Shore of Montreal took part in the event last Tuesday.

We are convinced that Space Agency staff will appreciate the quality of life in the riding of Saint–Hubert and the entire Monteregian area, as well as the warmth of its people.

We were successful in our endeavour, thanks to an unprecedented consensus among all federal, provincial and municipal elected representatives on the South Shore.

[*English*]

The Space Agency is certainly a plus for the region. We worked hard to get it, and we are very proud of the result.

* * *

THE BUDGET

LEAK OF DOCUMENTS—POSSIBLE CRIMINAL ACTION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, after the Budget leak on April 26, time and time again a number of Government Ministers referred to it as a criminal act perpetrated by a criminal or criminals. Yet they have not provided any evidence on which to base these accusations.

All of a sudden the Government is playing all of that down. Why? I have in my hand an article which appeared in the *Winnipeg Free Press* on November 27, 1984. It is entitled: "Wilson's notes admit Manitoba hardest hit". Interestingly enough, the subtitle reads: "Secret memo left in lobby".

The article goes on to state:

> The notes, together with other confidential memoranda and papers, were contained in file folders which Wilson left on a table in a downtown hotel lobby during his visit to Winnipeg yesterday.

These confidential documents were found by a reporter who later advised Wilson's aide.

I am not suggesting that this is a habit of the Minister of Finance (Mr. Wilson). However it might be wise for the Minister to check to ensure that last week's Budget leak is not linked to a similar incident.

* * *

[*Translation*]

SPACE AGENCY

LOCATION ON MONTREAL SOUTH SHORE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, a few months ago our Government announced that it would locate the space agency in the Montreal area.

All organizations on the South Shore immediately started working to get the space agency on Montreal's South Shore.

Today, I want to thank the South Shore Chamber of Commerce, the *Société du Progrès de la Montérégie*, the *Société Montérégienne de développement*, the mayors and provincial MLAs who were working together with us, the federal Members, in this major endeavour for our region.

Our thanks to the people of Montreal's South Shore!

* * *

[*English*]

NUCLEAR WEAPONS

LOCATION OF MISSILES

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the U.S. administration has decided to go ahead with the rail-basing of 50 MX missiles, each containing 10 nuclear warheads. Each one of these warheads is 20 times more powerful than the atomic bomb dropped on Hiroshima.

One half of this system will be based near the western Canada-U.S. border. During a crisis the U.S. could utilize its proximity with Canada to avoid nuclear attack by moving the missiles closer to the Canadian border, or even across the border. Canada would be targeted in the event of a nuclear conflict.

Prior to this decision I brought the issue to the attention of this House. Then, as now, there was no Government response.

The Secretary of State for External Affairs (Mr. Clark) and the Prime Minister (Mr. Mulroney) should, during the course of their meetings with American officials concerning the current NATO dispute, seek public assurances from the United States that Canadian territory will not be used for the deployment of this mobile nuclear weapons system. The Canadian Government must not allow the security and sovereignty of its people to be compromised.

* * *

UNEMPLOYMENT INSURANCE

PROPOSED CHANGES—CALL FOR PUBLIC HEARINGS

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, along with my colleagues the Hon. Member for Essex—Windsor (Mr. Langdon) and Mission—Coquitlam (Ms. Langan) I met with representatives of 22 organizations whose focus is the condition in which average Canadians will find themselves and their families if the proposed changes to the unemployment insurance system are implemented.

These organizations expressed grave concerns about the Minister's proposals on working people in the country. They made it crystal clear that cross-country hearings should be held immediately so as to provide Canadians with the opportunity to educate the Government on life in the real world.

I want to assure the House and Canadians from coast to coast that the fight against the Government's theft of the benefits of unemployed Canadians and their families has just begun. After listening to the many groups represented today I know that, as with the battle over the deindexing of seniors' pensions, the determination of ordinary Canadians to defeat these changes is limitless.

* * *

[*Translation*]

TRIBUTE TO JOHN N. TURNER

Mr. Jean-Pierre Blackburn (Jonquière): Yesterday, Mr. Speaker, the Right Hon. John Turner who represents the Vancouver-Quadra riding announced his intention to resign as Leader of the Liberal Party.

Forsaking all petty partisan considerations, Mr. Speaker, I should like to pay tribute to him and emphasize that this man can serve as a model of dedication, tenacity and courage for all Canadians.

Very few people would dare face as many storms as he has. His deportment under extremely adverse circumstances has impressed a great many in the House and in the Canadian public. His admirable behaviour certainly deserves our respect, Mr. Speaker.

* * *

[*English*]

TRANSPORT

CUT IN VIA RAIL SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, when the great train robbery was committed, gold was stolen from the train's cargo car. Now, the Conservative Government is going to commit an even greater train robbery of its own—it is going to steal the train itself.

The theft will not go unnoticed. It will set off alarms across this land. Alarms will ring in Atlantic Canada when The Atlantic is stolen away. Alarms will ring across the country when the Transcontinental and the Canadian are stolen away.

Alarms will ring when the environment is damaged through the use of more cars and buses, and more planes. Alarms will ring when more money is needed for the roads for those cars and buses, and when more money is needed for the airports for those planes.

Alarms will ring when a profitable tourist trade is stolen away.

It will set off a great many alarms in the provinces which will have to pick up the tab.

All of these alarms are going to be set off because Canada is a big country and Canadians still want to travel. There are people watching this theft who are going to blow the whistle on this crime. They are the Canadians who use the train, work the train, and love the train.

Alarms are going off and the Government has a responsibility to listen.

* * *

• (1410)

PRIME MINISTER MARGARET THATCHER

TENTH ANNIVERSARY IN OFFICE

Mr. Bill Attewell (Markham): Mr. Speaker, 10 years ago today, Margaret Thatcher moved into 10 Downing Street. It is worthy to note that the era of Thatcherism represents a fundamental transformation in British society. She has reversed the labour and socialistic policies which dominated British politics for several decades.

The Conservative Thatcher Government created the conditions and the climate which allow free enterprise to flourish. The vast majority of Britons are significantly better off today than they were 10 years ago.

Mrs. Thatcher made Britain a nation of home-owners by selling publicly owned residences to tenants. She made it a nation of shareholders by privatizing enterprises and selling shares to millions of citizens.

Bravo Maggie! You achieved an economic miracle.

* * *

LEADER OF THE LIBERAL PARTY

TRIBUTE TO RIGHT HON. JOHN TURNER

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, compassionate, caring, understanding, courageous, devoted and deeply committed to the principles and philosophy of Liberalism.

I did not meet him at a cocktail reception or an extravagant dinner, but I met him while he was visiting a local food bank in Toronto. In his eyes I saw sincerity. In his words I heard honesty. On his face I saw integrity.

When he became our Leader he promised us an open and accessible Party. He chose inclusion over exclusion. I rise in this House to pay tribute and to thank the man who introduced me to the Parliament of Canada.

Today the Liberal Party meets at a crossroads, not a point of arrival but a point of departure. As we prepare to pave the way for the future of our Party and our nation, Mr. Turner, we will continue to carry the torch and to fight with the same intensity, tenacity, vigour and perseverance that you as our Leader fought for our beliefs for a just and progressive Canada.

I thank you, Sir, for all your advice and I thank you for being my Leader.

* * *

UNEMPLOYMENT

ECONOMIC COUNCIL OF CANADA – ADVICE TO GOVERNMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we have entered a new age in how we deal with unemployment in this country. In 1963, the Economic Council of Canada was created to help promote policies that led to full employment. We now have the Economic Council advising the Government on policies that are producing unemployment rates of 7.5 per cent nationally, and reaching 15 per cent in some parts of the country.

How does the head of the Economic Council reconcile the fact that the objective of full employment of 3 or 4 per cent is just a dream for this Government? That is simple. All she does is redefine full employment to 7.5 per cent. When unemployment rises, "Don't worry, be happy. We will just raise what we consider as the level of full employment." Full employment is now 7.5 per cent. When it reaches past 8 per cent, as projected in the Budget, then the level of full employment will be bumped up to 8 per cent. Meanwhile, with the proposed changes to the Unemployment Insurance Act, workers will be trampolined from one part of the country to another.

We have many parts of the country that are still trying to recover from the last recession. Now we have interest rates approaching the teens and the Government is proposing to slash the unemployment insurance program. We have a Government that has abdicated its responsibilities and commitments to working people.

An Hon. Member: Time.

Mr. Rodriguez: It tells them that inequality is fairness, that inaction is leadership and that unemployment is full—

Mr. Speaker: I am sorry, the Hon. Member's time has expired.

* * *

HEALTH

BLOOD TRANSFUSIONS TO HAEMOPHILIAC VICTIMS – HI INFECTION

Mr. Stan Wilbee (Delta): Mr. Speaker, there are 2,300 haemophiliac victims in Canada. Of these, 950 are now testing HIV positive for AIDS due to contaminated blood supplies used prior to November of 1985. As a result, these people are now innocent victims of two dreadful conditions.

Of the 950 HIV positive persons, 84 per cent are under the age of 40, 50 have died, and 50 will develop AIDS each year. We are asking the Government to not group them with the thalidomide and measles victims, but to consider them a separate group because of the lethal nature of their disease and move quickly on their requests for: Reimbursement for loss of earnings and costs of medical care; providing families with financial security upon the death of an infected person; and providing cash payment for relief of pain and suffering.

* * *

[*Translation*]

THE CONSTITUTION

STATEMENT BY FORMER LIBERAL MINISTER

Mrs. Gabrielle Bertrand (Brome—Missiquoi): In Montreal a few days ago, Mr. Speaker, Mr. Marc Lalonde, a member of the old guard of the Liberal Party, stated and I quote: "Those who suppport the Meech Lake Accord should stop moaning and repeating that the failure of this agreement would not be a disaster for this country."

Morever, with reference to the citizens of Hong Kong who are leaving to settle in Canada, he remarked to a *Montreal Gazette* reporter that they are not going to leave a city facing great political unrest to settle in another city facing even greater political unrest.

That a former Trudeau Minister should attack the Meech Lake Accord is not at all surprising, but I cannot help protesting with indignation when this man, a Montrealer at that, dares to declare that his city is faced with unrest.

What meaness will not commit those who want to break up Canada to return to the bad old days? What outrageous remarks are they not prepared to profer to return to an era they look upon with nostalgia?

Mr. Speaker, I say that the Hon. Members who represent the Liberal Party in this House, but especially the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) and the Hon. Member for LaSalle-Émard (Mr. Martin), an aspiring leadership candidate, should rise and denounce such statements from one of theirs.

ORAL QUESTION PERIOD

[*Translation*]

THE ENVIRONMENT

CUT-BACKS IN PROGRAMS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister certainly shows lack of judgment by agreeing to be honoured for his environmental work by people who are against acid rain controls, the very day when and in the same city where he is supposed to convince the Americans of the need to reduce acid rain.

Still my question is directed to the Minister of Finance who, like the Prime Minister, makes lofty pronouncements on environmental issues and then axes programs of vital importance for the environment.

How can the Minister of Finance justify the cancellation of the national energy saving and alternate energy program? How can he justify the closing of the federal Government's twelve renewable energy offices? How can he justify the decision not to renew the reforestation agreements in this country?

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I apologize to the right hon. gentleman. I did not catch the entire question. If it is in relation to CREOs, yes, the Government took an examination on reduction in EMR and the research and development can go forward. That was being done in respect to alternate energy. There were a number of programs within the CREOs which we felt, now that they were transferred to Industry, was sufficient. It was for that reason, along with deficit reduction, that they were reduced or cut.

ELIMINATION OF RENEWABLE ENERGY PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I do not want to interrupt the briefing between the Minister and the Minister of Finance, but I can understand the Minister limply getting to his feet to reply to a question that the Minister of Finance should have taken responsibility for, but I admire his frankness.

What has happened here is that we have had four and a half years of cuts in the Department of the Environment, and now a partial restoration, but other Departments such as his own, Energy, Mines and Resources, have been brutally cut.

We have heard this all before. Since he has been the Minister of Finance—and I would again like to address the question to him—he has eliminated the program to help remote communities develop environmentally safe sources of energy. He has eliminated a program to help Canadians insulate their homes. He has eliminated the Atlantic Energy Conservation Program among others. Now the Minister is shutting down the alternative energy program and the renewable energy offices altogether. How can anyone take the Prime Minister down to accept that environmental award in the United States? How can we take the Minister of Finance and the Prime Minister seriously when, after four and a half years, they have eliminated every program for renewable energy in Canada, programs that are essential if we are to clean up our environment and preserve our resources?

• (1420)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, what the right hon. gentleman has said is not accurate. I think he should applaud the recognition the Prime Minister is getting for the leadership he has been giving with respect to the environment. He has been receiving recognition, as did the former Minister of the Environment, from various international organizations. About the only place he is not getting that recognition is from the opposition benches.

If the hon. gentleman were to look at the Estimates for the environment, he would find that there has been a substantial increase year over year. I believe the increase is about 9.4 per cent. It is an increase rather than a reduction. I want to make the former Finance Minister understand that very clearly. As well, research in alternate energy is going forward. The right hon. member

should look at previous programs such as the CHIP program and what a disaster the former Government inflicted upon many householders. Much money had to be spent to get out of some of those insulation programs. If the whole UFFI story is the way the Liberals do conservation, it does not work. It is much better to do research and development and have it transferred directly to industry as we have done.

IMPACT OF ELIMINATION OF PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I put these questions to the Minister of Finance who is crippling environmental protection with his Budget cuts. Since the Minister of Energy, Mines and Resources wishes to engage me this afternoon, I will tell him that much as I have tried, I fail to be impressed with an award given to the Prime Minister in Washington by the President of U.S. Steel who is against a reduction in acid rain. That may impress the Minister of Energy, Mines and Resources, but somehow, his attitude is not contagious on this side of the House.

I am interrupting the coaching of the Minister of Finance here. If the rhetoric of the Minister of Finance, the Prime Minister and now the Minister of Energy, Mines and Resources could clean up the environment, we would live in a very pure and clean world, but that is not what is happening. The Government's promises on the environment stretch from here in the House of Commons up to the ozone layer and back, but they do not mean a thing to the people of Canada.

Since the Minister of Energy, Mines and Resources wishes to reply, I would ask him how the elimination of renewable energy programs will help our environment. We would be very interested in that. While I am at it, since he is responding for the Minister of the Environment, will he explain to us how the redecoration of the office of his colleague, the Minister of the Environment, will help produce energy efficient offices in Canada?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the right. hon. gentleman should take a look at what the Government has done. There have been acid rain agreements. Today the Prime Minister is having discussions with President Bush. That agenda has been moved forward.

About the only thing I saw from the former Government on acid rain was that the former Minister of the Environment who was removed from his post by the right hon. gentleman has faithfully worn a "stop acid rain" lapel button. That has been the extent of their acid rain program, lapel buttons. There is a—

Some Hon. Members: Oh, oh!

Mr. Epp: I am glad I finally got their attention. There is the acid rain agreement. There were five new national parks created by the Government in its first mandate. This has been endorsed very strongly by Canadians. There was the international agreement on the ozone layer. Yes, the Government's policy has gone all the way to the ozone layer. Too bad the right hon. gentleman's policy is still in the flat earth society. The right hon. gentleman can say what he wants, but there has been—

Mr. Speaker: The Hon. Member for Hamilton East.

* * *

NUCLEAR WEAPONS

TRANSPORT OF NUCLEAR REACTOR THROUGH STRAIT OF JUAN DE FUCA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Minister of the Environment. We know that the Prime Minister and the Minister of the Environment have hastened to Washington to accept a phoney award from a phoney group.

Some Hon. Members: Oh, oh!

Ms. Copps: I would ask the Acting Minister if, while they are in Washington, they could do something specific to help the Canadian environment. I am referring to a letter I sent to the Prime Minister yesterday about the fact that next Monday, the American Navy will begin moving a nuclear submarine reactor through the Strait of Juan de Fuca, a very turbulent strait, only 55 kilometres from Victoria. The Minister should know that the U.S. Navy's own environmental impact study admits that there is a slight possibility of an accident which would be devastating to the West Coast of Canada. Will the Prime Minister demand that the President of the United States cancel Monday's barge shipment?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I have been advised that the U.S. Coast Guard has indeed confirmed that a defueled reactor from a submarine was shipped via the Strait of Juan de Fuca to the Columbia River which was entirely within U.S. waters together with a U.S. naval escort and a U.S. Coast Guard safety officer on board the towing vessel. I repeat that this was entirely within U.S. waters and it was a defueled reactor.

CALL FOR CANCELLATION OF REACTOR SHIPMENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in fact, those were the same kinds of assurances we got during the shipment of the *Exxon Valdez*. We are well aware of the fact that it is within U.S. waters, but nuclear reactor accidents know no boundaries. It is the responsibility of this Government to protect the fishing industry off the West Coast and to protect the people of Victoria who have the right to feel safe.

Once again, given the close relationship between this administration and that of Washington, and given that the Prime Minister himself is in Washington today presumably to do something about the environment, will he ask the President of the United States to cancel the barge shipment which will occur on Monday and which is the first of up to 100 barges that the U.S. Navy potentially plans to ship over the next 25 years?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, obviously the Hon. Member is more interested in spreading fear—

Ms. Copps: I'm more knowledgeable about it than you are.

Mr. Mazankowski: If you're more knowledgeable than I am, then you don't need an answer.

* * *

• (1430)

THE BUDGET

CLAW-BACK PENSION PROVISIONS

Ms. Joy Langan (Mission—Coquitlam): The Minister of Finance must acknowledge that he has not fully indexed the claw-back provisions in his Budget for old age pensions. That means that every year, because of inflation, more and more people will be caught. Will the Minister admit that while only 4 per cent of pension recipients will be caught today, in 20 years the figure will be 25 per cent, one in four older Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the Budget papers themselves, we say that this matter will be reviewed on an ongoing basis. In 1985, we introduced a modified indexation into the tax system. This is consistent with that indexation process. We said at that time that we would review the impact of the deindexation on an ongoing basis. In tax reform which was implemented last year, we adjusted the low income threshold so that it was raised quite significantly as a result of tax reform three years after the measure was brought in. So we are reviewing these, and we are acting when it is appropriate.

EFFECT ON INCREASING NUMBER OF CANADIANS

Ms. Joy Langan (Mission—Coquitlam): If we are talking about a vague review, how do we as Canadians know which way you are going to review it? The claw-back that is being proposed is like quicksand which more and more elderly Canadians are about to sink into. My question is: is it acceptable to the Minister that in 20 years, one in four Canadians will be caught in that quicksand?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer to that is no, it is not acceptable.

QUERY RESPECTING TAXATION OF MEDICARE

Ms. Joy Langan (Mission—Coquitlam): The Government is attempting to tax back 100 per cent of pension benefit for some Canadians today. Why should not Canadians be afraid that you will not apply the same principles to medicare in your next Budget, Mr. Minister?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member and her Leader keep trying to apply this principle to medicare. I do not know what they have in mind, or what sort of fear tactics they are trying to apply. If this is part of NDP policy, let them come out with it. But it certainly is not part of Progressive Conservative government policy.

* * *

TRANSPORT

VIA RAIL SUBSIDY CUTS

Mr. George S. Rideout (Moncton): Mr. Speaker, cutbacks in subsidy support spell the end for VIA. The appointment of Ron Lawless as the president of VIA is a clear signal that VIA services will be drastically cut.

What Ron Lawless has already done to Moncton by putting 1200 CNR shop workers out of work is that today VIA Rail employees should get ready for their pink slips. Would the Minister confirm that the Government's hidden, or not so hidden agenda, is to remove or privatize passenger rail transportation?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I can only repeat what I said yesterday. Yesterday morning we gave VIA Rail the new reference levels pertaining to Government assistance to this Crown corporation. They are geared to the Canadian taxpayer's ability to pay, which is another way of saying that we can no longer afford to spend $600 million, $700 million or $800 million a year on a passenger service of which Canadians themselves make very little use. So we have asked VIA Rail to make recommendations and come up with a work plan consistent with these reference levels, and on that basis the Government will decide what to do. Again I repeat that there is no hidden agenda behind the propositions I made to VIA Rail yesterday.

[*English*]

RAIL LINES IN ATLANTIC REGION

Mr. George S. Rideout (Moncton): Mr. Speaker, the former VIA president had a national dream and a national vision for VIA. This Government's only vision is to destroy our national rail service.

Some Hon. Members: Hear, hear!

Mr. Rideout: The Minister of Transport has stated that nine rail lines in remote areas of Canada must be maintained within the VIA financial plan. My question to the Minister of Transport is, why is there no mention of any rail line in Atlantic Canada?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the remote lines which were described yesterday are exactly the same which were supported by VIA Rail as remote lines. They have not changed. The nine lines which are there right now are the lines which were there yesterday, exactly the same.

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REGIONAL DEVELOPMENT

FISHERIES ERDA AGREEMENT IN P.E.I.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the Minister of Finance. The Budget that was tabled on Thursday will shut down the town of Summerside in western Prince Edward Island. Furthermore, we cannot find in the Estimates any moneys for fisheries sub-agreements for Prince Edward Island, nor any other Maritime province. Would the Minister now stand in his place and indicate that he will sign an ERDA for fisheries with Prince Edward Island, or is it this Government's intention to close down the fisheries on the Island?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I can tell my hon. colleague that in the near future I will be very pleased to discuss fisheries or other prospective economic co-operation agreements with the Government of Prince Edward Island.

FUNDING OF AGREEMENT

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my supplementary is for the same Minister. Will the Minister give us a clear answer? Will a new agreement for fisheries be signed with Prince Edward Island immediately? If so, what level of funding will be committed to such an agreement, and what cost-sharing formula will such an agreement have? I have to say to the Minister, do not leave the P.E.I. fishermen out in the wind.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I will take that as a representation and assure my hon. colleague that I will be pleased, as I said before, to enter into discussions with the Government of Prince Edward Island, the Premier and the Minister, at a time when that seems to be suitable to them, to myself and to other Ministers.

* * *

TAXATION

DEFERRED TAXES—CORPORATIONS' SHARE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. Senior citizens who are now losing some of their pension, and those families who have been hit by an additional $700 tax hike in this Budget, might be interested in the recent Statistics Canada report that last year deferred taxes of corporations reached a level of $36.1 billion. That is $6 billion more than the federal deficit. Those tax breaks when accumulated are more than the Government spends on health care, family allowance, old age security and social assistance.

I would like to ask the Minister if he projects the annual growth in deferred tax to decline, and what he is going to do to make sure these corporations pay their fair share of the tax burden?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member I think does know that over the course of the last four years we have shut down a number the tax preferences that corporations could take advantage of which allowed them to reduce their tax liability. Those changes have been made. They are starting to have their impact. The corporations which have not been paying taxes are paying significant amounts of tax right now. In addition to that, we have introduced a large corporation tax which will generate a billion dollars more revenue for the Government of Canada. So we are acting on the very things that the Hon. Member is talking about right now.

REQUEST THAT INTEREST BE CHARGED ON DEFERRED TAXES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister knows that in the second year after the so-called tax reform, the deferral accumulation went up by $4 billion. Now in the time it has taken him to answer my question, corporate deferred taxes will have increased by $70,000. By this time tomorrow, the deferred taxes will have grown by an additional $10 million. Why does the Minister not do the right thing and charge interest on these deferred taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say to the Hon. Member that she is misusing this term completely. It is not moneys that are owed by the corporations to the Government. The Hon. Member from Regina says, no. It is an accounting term. It does not represent moneys owed to the Government of Canada. Under the provisions of the Income Tax Act, corporations are allowed to pay less tax than their book amount will show. But we have reduced the number of ways that corporations are able to do this so that there will be less of this going on in future than would be the case had we not made the changes. So the Hon. Member is saying exactly the same things that we are. We are committed to getting corporations to pay more tax, and more than that, we are acting on that commitment.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF INTERNATIONAL TRADE AND INDUSTRY OF JAPAN

Mr. Speaker: I wish to draw to the Member's attention the presence in the gallery of Mr. Hiroshi Mitsuzuka, Minister of International Trade and Industry from Japan.

PRESENCE IN GALLERY OF MINISTER OF IRISH GOVERNMENT

Mr. Speaker: I also wish to draw to the Member's attention the presence in the gallery of Mr. Vincent Brady, Government Chief Whip, Minister of State, Department of the Prime Minister's Office and Defence who is the leader of an Irish working group on the introduction of television into Irish Parliament.

Some Hon. Members: Hear, hear!

* * *

• (1440)

INDUSTRY

FREE TRADE AGREEMENT—LOSS OF CONTRACT FOR WINNIPEG COMPANY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Minister for International Trade. The Canada–U.S. Free Trade Agreement has claimed yet another Canadian victim.

LGM Graphics, a long-established Winnipeg firm, has announced that it has lost a major contract for the telephone directory in the City of Winnipeg to R. R. Donnelly, a multi-giant printing company in Chicago, as a direct consequence of changes under the FTA. This will cause a loss of jobs and a loss of millions of dollars to the Manitoba economy, and will threaten the potential loss of movement of that company to North Dakota.

Considering that the FTA is directly responsible for this economic blow, I ask the Government to take responsibility for those lost jobs. In addition to offering assistance, I ask the Minister if he will make direct representation to the Tory provincial Minister in Manitoba who is responsible for telephones and ask him to cancel the contract and save the jobs for Canadians?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, under the Free Trade Agreement the yellow page directories had a base rate of 24.3 per cent protection which will be eliminated over a five-year period. However, there is no tariff at all that prevents Canadian firms from seeking the business and competing for the business from the United States.

If the hon. gentleman will listen to my answer, he will learn as he usually does from my answers. The Manitoba telephone system is a provincial Crown corporation. As a provincial Crown corporation it is not required by the Free Trade Agreement to open any contract to American bidders. Obviously it must have felt that a saving of $2 million was very significant for its customers. It is responsible to boards of public utilities and the like. It must have felt that it owed it to its customers to accept a lower bid, but it did not have to. It is not bound by the Free Trade Agreement.

IMPACT ON PRINTING INDUSTRY

Hon. Lloyd Axworthy (Winnipeg South Centre): If the Minister knew anything at all about the Free Trade Agreement, he would know that this is just the tip of the iceberg and what we will be facing is a loss of printing jobs across Canada, whether they are public or private companies, because of the ability of the giant printing industry in the United States to take those jobs away.

Why is it that the Department of Industry and Technology stated in its industry profile that the Free Trade Agreement will bring about a major negative impact on the printing industry with the loss of thousands of jobs? Why has the Government neglected to take any action at all to help that industry?

Is it because the Minister and the Government are simply afraid of offending the Americans because of the Free Trade Agreement by offering direct assistance to Canadian industry?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am surprised that such an experienced Member of Parliament would not be able to pick up on my original answer and realize the serious error and not even ask a supplementary question.

The point is that provincial Crown corporations are not bound by the Free Trade Agreement.

Mr. Axworthy (Winnipeg South Centre): They have to meet a tariff, John. The tariff goes down.

Mr. Crosbie: They can either accept the lower bid from the United States bidders, or not accept it at all. It gives our printers and Canadians a great opportunity to secure business in the United States of America.

Don't be small-minded protectionists. Think big. Don't be afraid of competition. It gives us a great opportunity to get into the huge American market. It is 10 times the size of our own market.

AEROSPACE INDUSTRY

WORKFORCE REDUCTION AT DE HAVILLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion and Science and Technology.

In light of the decision this week by Boeing of Seattle to reduce its workforce at the de Havilland plant in my riding by 700 jobs, and the news that de Havilland will not be allowed by Boeing to proceed with its newly designed 400 series of Dash-8s, which is a stretched version of the Dash-8 on the cutting edge of world aerospace technology—

Mr. Valcourt: Why not?

Mr. Kaplan: Well, this is what I want to ask.

Will the Government recognize the mistake it has made in the loose contract with Boeing, and call on the company to attempt to save the 400 version and the 700 jobs?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, when Boeing bought de Havilland from the Government, the Hon. Member predicted that this was going to end up in loss of jobs, and so on.

Mr. Lapierre: That's what is happening.

Mr. Allmand: It's starting.

Mr. Andre: As a matter of fact, even after the 700-staff reduction takes place, there will still be 1,500 more employees working there than when the company was sold.

I would think that the Hon. Member would rise and apologize for the inaccurate predictions that he made in the first instance and congratulate the Government for the wise decision it took.

CONTRACT WITH BOEING—REPORTED CANCELLATION OF 400 SERIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Government's sympathy will be great news for the 700 people who are losing their jobs.

Will the President of the Treasury Board tell us what clause of the contract, that he was so proud to negotiate to sell de Havilland to Boeing, is available to protect the 400 series of Dash-8?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in reacting to the preamble of the Hon. Member I may say that the 1,500 people who are working today as a result of Boeing buying this company are indeed grateful for the decisions taken by the

Government. The Hon. Member should appreciate that. There is no connection. If the 400 series makes sense, Boeing will be eligible for the assistance programs the Government has under the Defence Industry Productivity Program.

Mr. Kaplan: Why aren't they doing it?

Mr. Andre: Well, that is a decision for Boeing to make. The Hon. Member is reaching a judgment that there is some connection between this lay-off and the future plans that the company has not made and of which I am not aware. The Hon. Member is looking around for some bogyman or the sky falling in. The sky is not falling in.

Mr. Turner (Vancouver Quadra): He's looking for an answer, Harvie.

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AIRPORTS

PEARSON INTERNATIONAL—REPORTED EXPANSION

Mr. Bob Horner (Mississauga West): Mr. Speaker, my question is directed to the Minister of State for Transport.

Recent media reports have stated that a decision to build a fourth and fifth runway at Lester B. Pearson Airport has already been made by the Department of Transport. I am sure all Members of the House realize the implications of such a decision on the people of Mississauga where the airport is located.

Can the Minister either confirm or deny this report? If the answer is in the negative, could the Minister give us some indication as to when such a decision will be made?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I would like to advise the Hon. Member that the press reports are premature, as far as the decisions are concerned on the runways at Pearson Airport.

I am very grateful to the approximately 200 people I met with in southwestern Ontario and the Toronto area for their advice on what should be done at Pearson. Their comments, and the Department's investigation, are well under way. We will have an answer to that and other questions on Pearson in the early summer.

FISHERIES

NATIONAL SEA PRODUCTS LTD.—CLOSURE OF PLANTS IN ATLANTIC REGION

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I would like to address a question about National Sea Products Limited to my good friend, the Minister for International Trade.

I would like to ask the Minister a question about the action taken by Mr. Gordon Cummings, the head of the National Sea Products firm. During the Free Trade debate, Mr. Cummings was a strong supporter of the free trade issue. He was later appointed by the Government to the de Grandpré Commission. He stated: "When the free trade deal goes through, in the case of Nova Scotia operations alone, I am confident we would be adding 400 people to our workforce as the tariffs come off".

Today the President of National Sea Products, the same person who predicted the 400 jobs, is announcing the closure of three more plants in Atlantic Canada with the loss of hundreds more jobs. I want to know what the Minister is going to do about it, considering the role he asked Mr. Cummings to play in this debate?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think this is the first question I have had the pleasure of answering from my hon. buddy from British Columbia. The situation with respect to National Sea Products is this: It has no connection whatsoever with the Free Trade Agreement—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Believe me, Mr Speaker, the Free Trade Agreement cannot put fish into the water. That is beyond the Free Trade Agreement.

I think Hon. Members may as well realize that there were serious problems in the fishery in the East Coast of Canada due to a combination of excess plant capacity and poor markets. For example, the number of fish plants in Nova Scotia increased from just over 200 in the early 1980s to almost 400 last year. The cod stocks off the province have fallen by 20 per cent in the last three years. That has left a lot of idle capacity. That is the problem that National Sea is dealing with. If it were not for the Free Trade Agreement, National Sea would be in a far worse position today than it is.

Mr. Barrett: Mr. Speaker, the Minister's answer is stretching our relationship in buddyhood.

LOSS OF JOBS IN BRITISH COLUMBIA

Mr. David Barrett (Esquimalt—Juan de Fuca): It is true that we cannot put fish in the water but the owners of the plants decide where they put the fish in the cans. Since the Free Trade Agreement, the fish go in the cans in American plants while Canadian plants close down. That is what is happening. This is the same sell-out of British Columbia where the Minister said we would not lose a single job.

Is the Minister prepared to stand by his word and fight for the rights of those working people in Atlantic Canada, or has he given up to dedicate his career entirely to be a comic?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman certainly does not know much about the fishery in the East Coast of Canada because we are not putting the fish in the can on the East Coast of Canada. National Sea is preparing fresh fish fillets, frozen fish fillets, fillets of every type. They are not putting fish in the can. Their problem is that it is not possible to put anything in a package or can unless it is caught first. There is a serious diminution in the fish available to be caught, a vast increase in the number of fish plants and a serious problem in eastern Canada which we will have to help resolve. I am dedicated to helping resolve the East Coast fishery position.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Hamilton West, on a single supplementary question.

* * *

AIRPORTS

FUTURE OF HAMILTON AIRPORT

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have a supplementary question to the question regarding Pearson International Airport. Given the circumstances at Pearson International Airport, and that the Minister of Transport has stated that Hamilton Airport is being seriously considered in the over-all plans for southwestern Ontario, will the Minister of State for Transport describe to us the current negotiations being held about that viable alternative called Hamilton Airport?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, let me quote the regional chairman of the Hamilton Wentworth area who said: "Everything is coming together very nicely and all the work of the last three months by the airport committee and the regional council is starting to pay off". It is paying off in Hamilton. We now have United Parcel Service that has offered a service out of Hamilton. We are now flying to Minaki Lodge in Northern Ontario, for those who want to hunt and fish. More will be happening at Hamilton Airport.

* * *

[*Translation*]

THE BUDGET

HEALTH SERVICES—REASONS FOR BUDGET CUTS

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. The Tory—I repeat: Tory—Senator, Dr. Paul David, the eminent heart surgeon and founder of the Montreal Institute of Cardiology, stated in a speech in the Senate that our health care system was in very serious trouble because of a lack of funding, and that overcrowding in emergency wards, long waiting lists, the closing of hospital beds and deteriorating equipment were all due to a lack of money. He also said because of our ageing population and increasingly sophisticated medical procedures, the health care system will become increasingly visible and unbearable to the ill.

Does the Minister have an answer to the words spoken by an eminent physician and can he explain to the House why he opted for a second 1 per cent deindexation of the federal Government's transfer payments for health care, instead of taxing the banking system?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are taxing the bank system. We have applied a new tax to the bank system in this Budget.

Contrary to what some people are saying on the new goods and services tax, that will also apply to the banking system. We are dealing with the banks in the reforms of taxation.

The Hon. Member asked a question about Established Programs Financing. I said to the Hon. Member in the House yesterday, and I think I have said it to a number of other Members, that we are not decreasing funding for the Established Programs Financing. Funding is increasing by $25 billion over the course of the next five years, compared to the last five years. There will not be less money available, there will be more money available.

[*Translation*]

REQUEST THAT MINISTER JUSTIFY BUDGET CUTS

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the Minister did not answer the question. He is acting like a Minister without a heart, without any compassion for the ill. Dr. David is a physician, not a Bay Street broker, and he spoke like a physician. Even before you brought down your Budget, there wasn't enough money in the health care system. Why did you reduce the rate by which these moneys are increased? Why didn't you give more money to the sick, to save human lives across Canada? Why destroy the health care system?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member will get nowhere with his cheap personal shots. Let's stick to the issue.

Let me stick clearly to the issue here and be quite up-front. The measures in this Budget are designed to help us maintain good social programs, programs that we, on all sides of the House, are very much committed to. The increase of our interest costs and funded debt has gone from 12 cents of every tax dollar to 25 cents, to 31 cents last year, and now has jumped to 35 cents this year. If we are going to ignore this debt problem then we are in a lot of trouble. That is why we are doing everything we can to avoid that problem. We are doing everything we can to maintain these social programs that are important to Canadians across the country.

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THE BUDGET

LEAK OF DOCUMENT—ALLEGED CRIMINAL ACTION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Finance. Last Thursday, the Minister stood in the House and characterized the Budget leak, as reported at page 1005 of *Hansard*, as, "a wilful criminal act" in order to justify his actions of the night before. He called it a wilful criminal act. In view of the position of the Minister of Justice, is the Minister of Finance now prepared to withdraw that assertion?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise the House once again that there is an ongoing criminal investigation by the Royal Canadian Mounted Police, and any discussion either in the House or outside the House while that investigation is going on would be inappropriate.

[*Translation*]

REQUEST THAT MINISTER WITHDRAW WORDS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary is directed to the Minister of Finance and I hope to get an answer from the Minister.

Last week, the Minister of Finance said in the House that the Budget leak was caused by a criminal act. I would like to know whether the Minister of Finance is now prepared to rise in the House to withdraw what he said.

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, it is the same question, in French. As my colleague said, the RCMP is investigating all the circumstances around this matter, and I do not think it would be appropriate to comment, either in the House or outside, Mr. Speaker.

* * *

• (1500)

[*English*]

AGRICULTURE

REMOVAL OF OATS FROM CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds but since he is not in the House I will direct it to the Minister of Agriculture. Earlier this year the Minister of State for Grains and Oilseeds announced that oats would be removed from the jurisdiction of the Canadian Wheat Board. He indicated then and again on later occasions that he had consulted with producers and was simply acting on their wishes.

If it can be demonstrated that a large majority of producers do not in fact want oats removed from the jurisdiction of the Canadian Wheat Board, will the Minister then heed those wishes and retain oats under the Canadian Wheat Board?

Points of Order

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as my hon. colleague has informed this House and others throughout the country, there were ongoing consultations and discussions about this matter for a period of two years. He has responded in an appropriate fashion and the policy will remain as announced.

RESULTS OF DECIMA POLL

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my supplementary is for the same Minister. I am not sure with whom the Minister has been consulting, but according to a Decima poll scheduled to be released on Monday—a poll of which I am sure the Minister is aware—two-thirds of producers in Western Canada do not want oats removed from the Wheat Board's jurisdiction.

Why does the Minister not face the facts? Why does he not let producers decide whether or not oats should be removed from the Canadian Wheat Board? Let the producers decide.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Hon. Member, I am sure, is familiar with a number of farm organizations that exist in Western Canada. For example, the United Grain Growers, the Canadian Wheat Growers' Association, the Western Barley Growers' Association, the Prairie Canola Growers' Association, the Alberta Pork Producers Development, the Alberta Sheep and Wool Commission, the Cattlemen's Association, the Manitoba Farm Business Association, the Manitoba Hog Producers Marketing Board, the Saskatchewan Marketing Board, the Government of Manitoba, the Government of Alberta and the Government of Saskatchewan. They all approve of this policy. Why does the Hon. Member not approve of it as well?

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Government House Leader give a statement of business that he intends to call for the coming week?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise that tomorrow, May 5, will be an allotted day. Monday, May 8 through to Thursday, May 11 we will deal with days three, four, five and six of the Budget debate.

POINTS OF ORDER

INTERIM SUPPLY

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise on a point of order. As you are no doubt aware, I raised a question of privilege dealing with Estimates in this House on April 6 and your Honour handed down a learned ruling on Monday. I am in no way, of course, commenting on that ruling, but I have an additional point of order with respect to the Bill that is to be introduced this evening at the conclusion of the sitting at 5.45 p.m. I wanted to raise the point now to avoid a misunderstanding at that time.

What is happening tonight, from my review of the draft bill, is that we are being asked to approve the use of the Governor General's warrants during the period from January of this year until April 1. I had my concerns about the April 1 warrant and it will be dealt with later, but the three warrants issued on January 19, February 16 and March 23 purported to grant to the Government the right to spend over $1.5 billion dollars. All of the items are contained, sir, in a statement on Governor General's warrants that was tabled in this House earlier in the session in conformity with the Financial Administration Act.

The difficulty is that the Supplementary Estimates, which form the basis for many of the votes contained in the statement on special Governor General's warrants that was tabled, of course have never been tabled in this House because the House has not been sitting since December of last year. The Government saw fit not to table any Supplementary Estimates during our short session in December for reasons best known to itself.

The problem that I feel we have to deal with here is that the Supplementary Estimates have never been detailed for us. We have never been advised as to what additional funds will be granted by these special Governor General's warrants out of what were Supplementary Estimates. It seems to me that a report ought to have been forthcoming to this House to detail that. In addition, the House will really never get an opportunity through the usual committee structure to study these Estimates.

In your ruling on Monday or Tuesday—I am sorry, I have forgotten—Your Honour detailed explicitly how under the new House procedures Estimates are normally referred to a committee. But the Supplementary Estimates, which form the basis for these Governor General's warrants and which we are approving today in the Bill that is to be introduced at 5.45 p.m., will preclude this House from then considering those Supplementary Estimates. In other words, they will have

had in theory and in fact three days of debate in this House on Opposition days and that is it. We will never get to review those Supplementary Estimates again. I protest this outrage.

In order to demonstrate that I think it is an unfair procedure, I looked at what happened in 1980—not that 1980 is any precedent because, as I maintained before, the actions of the Government in this connection are totally unprecedented. These warrants have never been used before between sessions of Parliament as has been done in this case.

Without going into that issue again—although I stress that that outrage remains—in 1980 the Governor General issued certain warrants before Parliament was recalled following the election and after the defeat of the Government of the Right Hon. Secretary of State for External Affairs (Mr. Clark). The President of the Treasury Board at that time, Mr. Donald Johnston, prepared a little booklet explaining what had happened with all the Supplementary Estimates, the additional Supplementary Estimates and the Main Estimates and he tabled this booklet in the House of Commons. I have obtained a copy from the library. It is here. The Government of that day was forthcoming. It explained everything it had done and produced all the evidence to the House. In this case, sir, I submit the Government has not produced all this material and yet we are being asked today to rush through this Bill, in effect approving all these Supplementary Estimates.

Through you, Mr. Speaker, my request is that, first, if this is in order, and I question whether the whole procedure is, I would ask the Government House Leader (Mr. Lewis) to agree today, before we come to this Bill, to undertake to introduce a motion to refer the statement on special Governor General's warrants to the appropriate committees of this House so that the committees can review what should have been Supplementary Estimates for the last financial year. We will then be able to see where the Government has transferred money from one vote to another, where it obtained additional approval by Governor General's warrant instead of presenting Estimates to this House in the usual way. We can then review all of this material because really we are not getting an opportunity to do so in light of the fact that this Bill has to be passed tonight under the Special Order that has been approved by the House.

Points of Order

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to make a few brief comments and perhaps ask the President of the Treasury Board (Mr. de Cotret) and the Government House Leader (Mr. Lewis) to respond. I rise in support of what my colleague from Kingston and the Islands (Mr. Milliken) has raised. As you will know, your Honour, both my colleague from Kingston and the Islands and myself have questioned before the procedure used by the Government to obtain these Governor General's warrants in the past.

Your Honour has decided that this was not a case of privilege. Of course, the Government should not interpret that to say that its use of these warrants was appropriate. We still maintain that they were not. However, my colleague has brought to the attention of the House the fact that there is at least a precedent which relates remotely to this case. The case prior was obviously not as severe as the one that is before us now. I choose the word "remotely" advisedly for that reason.

• (1510)

I submit that at the very least the Government should commit itself today to referring this particular item to the Government Operations Committee of the House of Commons. By reason of the fact that the issue belongs to Treasury Board, it is automatically one that can be raised by the Government Operations Committee. That committee, like other committees, can order its own business.

More specifically, if the Government House Leader were willing to indicate to the House that he is prepared to have this issue discussed fully by the Government Operations Committee, then perhaps we could have a compromise acceptable to all sides of the House. If this were done, then the committee could look at what was done in the previous case and make specific recommendations regarding the use and/or misuse of Governor General's warrants in the future.

I hope the Government House Leader feels that this is appropriate. I remind him that at one time in the past when his Party was in opposition this was an issue that was raised then, since it was felt to be important. I remind the Chair as well that we are indeed the only nation in the British Commonwealth of Nations that still has such an instrument as Governor General's warrants. Even in the Mother of Parliaments in Great Britain such an instrument does not exist. Even in cases in which the House is defeated by lack of confidence, Parliament resumes sitting briefly in order to grant supply to the Government for a reasonable period of time until such time as the House can be recalled after an election.

For those reasons we are looking for the co-operation of the Government. We are looking for the assistance of the Chair in the matter that has been brought to Your Honour's attention by my colleague from Kingston and the Islands.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to bring to my colleague's attention two facts. I am sure that the record is clear.

In terms of the warrants, as was stated, there were warrants issued on January 19, 1989; February 16, 1989; and March 23, 1989. At those times we met the criteria set out under the Financial Administration Act to require that these warrants be issued. The criteria we were following were the following. The first was that Parliament was not in session. Parliament was not in session.

The second was that there was an urgent requirement. As President of the Treasury Board I assured myself that there was an urgent requirement. The third was that no appropriations were available. We verified that no appropriations were available.

Mr. Boudria: Of course they were available.

Mr. de Cotret: Given the fact that Parliament was not in session, when Parliament came back we had a very extensive—

Mr. Boudria: You only prorogued it at the beginning of March.

Mr. de Cotret: Could I finish, Mr. Speaker?

When Parliament came back we had extensive disclosure. For the first time in the use of Governor General's warrants we gave as much information as we would usually do for Supplementary Estimates.

The next point I want to make is that on April 1 we asked for a warrant to the amount of $6.175 million for 45 days.

Mr. Boudria: We are not talking about that one.

Mr. de Cotret: I would like to tell my colleague opposite that that is included in the Estimates. It is included in the Bill that will be debated today. That Bill and all items contained in it will be referred to committee and subject to Parliament's final approval. The procedure has been forthright and up front. I do not see that there is any difficulty. In terms of the interim supply Bill, the warrant is fully included in the totals within that Bill.

Mr. Milliken: Mr. Speaker, with respect, the Minister has missed my point. I am not arguing about the April 1 warrant. I agree that we will have ample time to consider that as supply days go on and the Estimates have been referred to the committees. I am referring to the warrants for the financial year ending March 31, 1989. Those warrants are being approved in this interim supply Bill. Clause 3 of the Bill confirms those warrants. They will be gone. All the material contained in the book that the Minister tabled in the House, that is, the statement on special Governor General's warrants, will now be passed and approved by the House as a result of the passage of this Bill which will go through this afternoon according to the order made April 4.

Thus we will not have an opportunity to review what would have been Supplementary Estimates. Had this unusual and highly irregular procedure not taken place, we would have seen them referred to the standing committees of the House where they would be reviewed. That is my point. I am asking the Minister to deal with it and allow those matters to be referred to the committee notwithstanding the passage of this Bill.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will be brief. I appreciate that this is an opposition day. We want to be debating the motion which the New Democratic Party has put forward. I do not want to infringe upon that courtesy at all.

My hon. friend referred to what a previous President of the Treasury Board did. I do not believe he specifically referred to Supplementary Estimates flowing from those warrants. The question is, and this question was argued previously, whether or not there was a breach of privilege in the use of the special warrants. I believe that in the ruling Your Honour made you were quite clear that there was no question of privilege. If my hon. friends opposite want to challenge that ruling, then they should do it in another forum.

Mr. Boudria: We are not challenging the Speaker, come on. You know better than that.

Mr. Lewis: The question is: Will the Opposition have an opportunity to review the Supplementary Estimates? Obviously, there will be an opportunity within the review of the Estimates. I have never yet seen a narrow treatment of Estimates in committee. I am sure that the Ministers who go before the committees on the various Estimates for 1989–90 will be fully prepared to deal with any Estimates that are contained within the special warrants.

I would suggest that if this had been brought up in the House Leaders' meeting we would have had an opportunity to discuss it rather than to discuss it here on the floor of the House. I do not believe that there is any point of order. I think we should proceed with the New Democratic Party's opposition day motion and get on with debate.

Mr. Speaker: I will reserve for at least a few minutes on this matter.

I would like to draw to the attention of Hon. Members comments that I made several days ago. Hon. Members might want to consider them. I quote from them as they were reported at page 1179 of *Hansard*:

> While Members may complain that they do not have an opportunity to examine these expenditures before they have been allotted, the very nature of special warrants calls for the approval of the House after the fact. The cure for that complaint lies more properly within the legislative process by amending the Financial Administration Act to the greater satisfaction of the majority of Hon. Members in the House.

Hon. Members might want to look at that citation.

The second point is that I have no authority to refer this matter to the committee.

The third point is that it may well be that both sides would want to have a discussion as to the subject of the matter. It may be the wish of Members to come back to advise the Chair that what seems to be the essential request of the Opposition might have met with favour by the Government. However, that is something I cannot foretell at the moment.

In any event, I will consider the matter. I know that it is a matter of concern to both the Hon. Member for Kingston and the Islands and the Hon. Member for Glengarry—Prescott—Russell.

At this point we should proceed with the debate.

Mr. Boudria: Mr. Speaker, I rise very briefly on a point of order.

Mr. Speaker: I would remind Hon. Members that on this point of order they are taking the time of the debate.

Mr. Boudria: Mr. Speaker, I only want to indicate on behalf of my colleague that in no way are we attempting to challenge the previous ruling of the Speaker made earlier this week on the question of privilege. I want to clarify that.

Mr. Speaker: I thank the Hon. Member. I understand that. I understand the argument, too. I think it might be helpful if Hon. Members read the ruling of several days ago.

In any event, I will consider the matter. However, now, I think in fairness to the New Democratic Party we should proceed.

• (1520)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 81—THE ENVIRONMENT

The House resumed consideration of the motion of Mr. Broadbent that this House condemn the Government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity today to speak to an Opposition motion that, I believe, mentions the environment. Mr. Speaker, I shall, if I may, read the Opposition motion for today's debate.

> That this House condemn the Government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

Mr. Speaker, I think it is unfortunate that a leader of the Opposition, though not the Official Opposition, should move a motion in the House on an opposition day, a motion so vague, so unspecific and so lacking in substance, and that the House should take a whole day to talk about a motion that means absolutely nothing. As I said, it is about fairness and equality and about failing to make protection of the environment a priority.

Mr. Speaker, if the Leader of the NDP had been specific about the Government's failings with respect to fairness and equality and the environment, I think we would have been able to provide a serious and sensible response to the points raised in such a motion. Especially, Mr. Speaker, when we are talking about the environment. In fact, I don't think the environment should be treated as a partisan issue in this House. I think the environment is something Canadians want to hear more about and they also want some action, whether we are talking about, the atmosphere, our water, our soil, our personal well-being and our quality of life. It should not be a partisan issue in this House, since all three, in fact all four parties represent a population that is concerned about the environment. Unfortunately, we see once again that the Opposition Parties are making this a partisan issue.

The Minister of the Environment (Mr. Bouchard), the Hon. Member for Lac-Saint-Jean, made a speech this morning which I think—

Mrs. Duplessis: An excellent speech!

Mr. Vincent: An excellent speech, said the Hon. Member for Louis-Hébert (Mrs. Duplessis). He made a speech which, I think, touched on most of the points that should have been raised by the Leader of the NDP on Opposition day in a logical and normal motion.

Mr. Speaker, I would like to give a short rundown of what this Government has done for the environment during the past four years. We had the Canadian Environmental Protection Act—a first—which is straight to the point about the environment in this country. Last year, we had the Ozone Protocol. We said that as of December 1, 1990, there would be no more leaded gas in Canada. We had legislation to protect wild life, another first. We are working on a document in connection with the International Convention on the Atmosphere.

There was the Canada Water Preservation Act. As you know, the Prime Minister of Canada is working very hard on the acid rain issue, and is putting pressure on the United States to have this settled within a reasonable timeframe.

Going back in time to 1984, Mr. Speaker, you may recall that the former Liberal Government's file on acid rain was not much thicker than the two covers put together. But since 1984 the Prime Minister of Canada and the various Environment Ministers—including incumbent Minister Lucien Bouchard—have worked on this issue with the United States.

We also know that so far seven of the ten provinces have signed an acid rain agreement with this Progressive Conservative Government, a monetary agreement and an agreement concerning the environment.

In June 1988, less than a year ago, it was announced that $110 million would be earmarked for cleaning up the St. Laurence River. Mr. Speaker, I can tell you that I was in my riding office in Trois-Rivières on that day, and I can still remember getting phone calls from constituents who congratulated the Government and the Prime Minister of Canada for doing something to clean up the St. Lawrence, not only in words but by providing the funds needed to restore the river to the condition it was in years and years ago.

In 1989, Mr. Speaker, $90 million will be spent to promote local cleaning-up operations.

Ninety million is a lot of money, Mr. Speaker, and again we owe this to the Minister and his department.

In the House this morning Opposition Members complained about the lack of funds in the Department of the Environment. Unfortunately—because the environment should not be a partisan issue—Members on the other side of the House chose not to mention the fact that the budget of Environment Canada has been increased by 9.4 per cent this year. That, Mr. Speaker, is the biggest departmental increase in 17 years, not one, two or three years, but 17 years, the biggest increase, 9.4 per cent, but they forgot to mention that.

Both Opposition parties also neglected to point out, where they would take the extra money they want to spend on the Department of Environment and all other departments.

Mr. Speaker, all we hear from the Opposition is we should put more money into the environment, child care, this and that, and I could go on and on.

This is too easy, Mr. Speaker! We all know that as Members it is much more rewarding and gratifying to give than to cut funding. But the major question in 1989 is this: Where is the money going to come from, the millions and billions of dollars the Opposition is calling for in every area, when we have a $320 billion national debt that is increasing by $3 million an hour, some $80 million a day?

Mr. Speaker, where did that debt originate? It originated in spending, not in the Department of Environment but everywhere! The previous Government had been throwing money around for 20 years and that spending did not necessarily benefit the country. But it is responsible for this country today being overburdened with debt, so specific measures must be taken to eventually, in the near future bring the national debt, the annual deficit under control, as well as the debt service charges.

Mr. Speaker, when you have to spend 35 cents out of every dollar earned on interest payments on your debt, without repaying that debt itself, certainly you are in big trouble. But this is the situation this Government and this country find themselves in, because of the debt situation we inherited. Like it or not, this is the inheritance we were elected to manage, and this is what we are doing, Mr. Speaker!

• (1530)

Let me review rapidly the election promises made by the NDP on environment matters. I will not go into all their promises, Mr. Speaker, because I would still be here tomorrow morning.

They referred to a Water Act. As you know, Mr. Speaker, the Environment Minister (Mr. L. Bouchard) and his Department are presently working on that. They promised they would ban water exports. Mr. Speaker, in 1987, that is a year and a half ago, we stated we would not export water!

They said they would give money to help build water treatment plants. In November 1987, Mr. Speaker, we did that.

They promised $120 million more per year for the Department of Environment. Mr. Speaker, I mentioned the 9.4 per cent increase, but I did not mention an increase of some $800 million per year earmarked by other departments for environment purposes, including the Department of Research and Development and the Department of Science and Technology. So, a number of other departments also spend money for the environment, a total of about $800 million. I think we can forget about this NDP promise.

Finally, they proposed to amend the Criminal Code so that polluters would be prosecuted. Mr. Speaker, this provision exists already. There is a provision in the Criminal Code to the effect that all those who break a law, whether in the area of environment or elsewhere, can be prosecuted.

As you can see, we have already fulfilled in part or are in the process of fulfilling the promises which the NDP made during the election campaign. For us, these promises are facts and realities.

To conclude, Mr. Speaker, I feel I must suggest to the NDP Leader that the next time there is an Opposition Day on which the House will have to deal for a whole day with a similar motion, he should move a motion which would emphasize facts and raise definite issues, Mr. Speaker, nothing similar to this motion which states:

> That this House condemns the Government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

With a motion such as this, Mr. Speaker, what can the Members of this House do? How could this Government reply objectively and try to help the Opposition understand, because sometimes they have a hard time understanding? How can we deal with such a motion—not even four lines, Mr. Speaker, only three lines and a half—which says nothing?

Mr. Speaker, I suggest that the NDP Leader should do some soul- searching and make sure that the next time we have an Opposition Day, we will have a more interesting issue to address.

[*English*]

Mr. Funk: Mr. Speaker, I would like to thank the Hon. Member for his speech and congratulate him on his interest in the environment. As the Minister mentioned this morning, I wish him luck in turning this Commons green. That caucus is so blue that I would be surprised if they got to turquoise in their efforts.

I wish to speak on the environment from a Saskatchewan perspective. It took a court decision to order the Government of Canada to do an environmental impact assessment on the Rafferty—Alameda dam. The court essentially told the Government to protect the environment, not the PC Party. We heard yesterday in the House that soil conservation agreements which are badly needed because the dust is blowing again in Saskatchewan have been held up for several years. In my own constituency of Prince Albert—Churchill River, friends of the Conservative Party are promoting a free enterprise nuclear reactor. They are going around to the Indian bands saying that there is limitless federal money available for them to invest in this free enterprise reactor.

In light of those developments in my own province, does the Hon. Member blame the people of Saskatchewan for being a little bit cynical about some of the talk they are hearing about the environment from this Government?

[*Translation*]

Mr. Vincent: Mr. Speaker, I would like to point out to my colleague that over $10 million has been spent on agriculture alone. Since he mentioned the speech made by the Minister this morning, I would also like to remind him of the continued commitment of the Minister of the Environment, the Hon. Member for Lac-Saint-Jean (Mr. Bouchard), to the cause of the environment. I had the opportunity, Mr. Speaker, to welcome Minister Bouchard to my constituency less than two weeks ago when he spoke at a fund-raising dinner which, by the way, was a big success.

In his speech at the dinner, Minister Bouchard talked about his involvement, his work and his determination since being appointed to that position. He is especially determined to amend the 1971 legislation which, as you know, only affects paper mills built after 1971 and to introduce a new law ensuring that paper mills, an important industry in my region, stop polluting and become responsible corporate citizens who obey the law and can make economic progress while respecting the environment and the citizens of my region.

Since you are indicating, Mr. Speaker, that my time is up, I will stop here.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I recognize the Hon. Member for Mission—Coquitlam on debate.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, there is an old Chinese proverb that says that a journey of a thousand miles begins with a single step. Thursday, the Government took the first giant step toward turning social policy in Canada into welfare policy.

The first words in the Budget speech were: "This Budget is about the future of Canada". I suggest that the first words should have been: "This Budget is about the survival of Canadians".

The budget speech goes on to say that it is about what we must do to respond to the challenges and opportunities of a changing world, to assert our sovereignty as a confident and mature nation, to meet our new and continuing priorities as a people. What are those priorities?

Have they changed so drastically that the Government can be allowed to meet its deficit responsibility with further attacks on the family, with further attacks on our children, with further attacks on the elderly, with attacks on women, with attacks on the unemployed, with attacks on ethnic groups, with attacks on the working poor?

The budget speech refers to valued social programs, high standards of living, economic opportunities, sovereignty at home and respect abroad, and responsible government, that this is the Canada we must leave to our children. I submit that we are in fact maintaining a high standard of living for those Canadians who already enjoy a high standard of living and are condemning those Canadians who are struggling to survive.

We are planning deficit reduction at the wrong end of the scale and trying to sell it as a program to save the futures of our children. It is telling Canadian children "do not worry that you have no shoes, do not worry that you are hungry, do not worry that there is no one to look after you while your folks work and, for goodness sake, do not worry that you have no roofs over your heads". Do without these things now, and the Minister of Finance guarantees that when you grow up you will inherit a fully paid for Rolls Royce.

• (1540)

I say, Mr. Speaker, to the Minister of Finance and his colleagues, were they in the House, that no one is fooled by this. No one is going to buy the argument except those who will profit by it, and those surely are not the children of Canada or their families. The Government would have us believe that it is spending more than ever on the things that are important to Canadian families. Is it indeed? I submit that the smoke and mirrors of numbers is wearing mighty thin. This Government can move numbers around and tell Canadians it is not going to hurt them, but they are not going to buy it.

Hon. Members on the Government side of the House may ask: What is the Member from Mission—Coquitlam saying? We are spending $2.7 million of Canadians' money to prove to them that what we are telling them is the truth, using very high priced wordsmiths to put forward our argument. What this Hon. Member from Mission—Coquitlam is saying is that Canadians are not fooled. The retired millworker in Mission—Coquitlam

is not fooled. He knows that today it is the retired magnate who still has a taxable income of $50,000, but tomorrow it will be the retired secretary whose income, because of inflation, will be $30,000. If he lives long enough, he just might see his children, no matter what their occupations, retired to the same kind of tax grab as announced on pensions last week.

The single mother in Mission—Coquitlam, indeed in any riding in Canada, is not fooled. She knows that today it is the parent whose net earnings are $50,000 who is having her family allowance grabbed back. But in 20 years, it will be her, whose annual income is $21,000 today, who will lose.

Some Hon. Members: Hear, hear!

Ms. Langan: Mr. Speaker, do the Hon. Members on the Government side of the House honestly believe that Canadians are fooled when they are told that the new sales tax that is coming down the pipe is going to be good for them because it is good for big business and because it is good for the Government? Do mothers really believe that paying service taxes on music lessons, haircuts and food is good for them and good for their children? I think not, Mr. Speaker.

I first got involved in politics in my union, the typographical union, and in my community in British Columbia over the issue of child care. It was 1970 and I was a single mother working shift work. The only licensed child care, if you could get it, was from 9 to 5 Monday to Friday. That was 19 years ago. That child is now 23 years old, and still there is a shortage of over a million child care spaces in this country. The Government, in its last term, introduced a child care Bill that was universally rejected as totally inadequate. The Government received input from all across the country. There was some hope that a new Minister would take the counsel of all those Canadians who deliver child care and who need child care to introduce a Bill to this House that would fill the need of Canadian families. What did that Minister do, Mr. Speaker? Did he bring in a new Bill? Did he even announce a second look? No, he chickened out.

He caved in to the Minister of Finance (Mr. Wilson). So what are Canadian children getting? Child care on hold. The Right Hon. Prime Minister's mother might think he is doing a good job, but I can tell you there are hundreds and thousands of mothers in this country who think that he and his Cabinet colleagues are letting them and their children down. Universal, accessible, affordable child care is an investment in Canadian children's future and in Canada's future. It is not a paid up Rolls Royce.

On the subject of disability pensions, increasingly in my riding and other ridings complaints have been received that applications for disability pensions are being routinely turned down, that the only way to get a disability pension is to have the determination and the knowledge to appeal. Then an applicant might have a chance. When the Estimates were tabled, I anxiously looked for an explanation. On page 6–15 of the program overview of the Health and Welfare Estimates I read:

> The overall situation improved with the increase of the CPP disability benefits in January, 1987, although the increase in some cases was partly offset by the private insurance sector or by the provincial or municipal social assistance programs.

I will say they were offset. When the majority of applicants are turned down out of hand, some other government program in the provinces or at the municipal level is going to have to pick up the slack. But still believing, in my naiveté, that the people who were telling me this were mistaken, I instructed my constituency representatives to continue to assist people. I was sure that cases were being adjudicated with care and sensitivity. I was so wrong.

I had to reassess my position when my office received a complaint from a woman who had applied for a disability pension for her husband. It was denied because the man might reasonably be expected in the foreseeable future to earn a normal income. Mr. Speaker, that man was in a coma. But he might be reasonably expected in the foreseeable future to earn a normal income. Needless to say, Mr. Speaker, I have had to reassess my thinking about the sensitivity of the Department of National Health and Welfare.

I asked for statistics about how many Canadians have applied for disability pensions, how many are turned down, how many have appealed and how many have won those appeals in the last fiscal year. One would think that is a relatively simple request in this age of technology and with the kinds of research that are available to Members of Parliament. But it was not a simple request. It seems the Department is having difficulty getting that information out of the computer. These were simple straightforward questions: how many applied, how many

were turned down, how many appealed, how many won their appeals? Mr. Speaker, I suggest through you that if the Department of Health and Welfare is routinely turning down first-time applicants for disability pensions because they are so overloaded, the Government can quit patting itself on the back about how it is meeting the needs of those Canadians who are most in need, and get serious.

Some Hon. Members: Hear, hear!

Ms. Langan: We have heard a great deal about the terrible housing crisis in Canada. In this House and in the media we have heard a lot about it since the 34th Parliament has been convened. Some of the problems are because of land speculation, especially in the larger urban centres. Some of the problems are because of high interest rates, and some of the problems are because of zero occupancy rates. This is a phenomenon that does not just happen in large cities, but it is happening in suburban and rural Canada as well.

The national sales tax that has been introduced is a problem as well. The point that I want to make about housing in Canada is that increasingly the face of the homeless in this country are the faces of Canadian children. That is not acceptable. But that does not cut any ice with the grinch who stole the balanced Budget from our children's future. No, the Government has reverted to 1986 levels of funding for an already inadequate co-op housing program with adjustments for inflation. If that is not bad enough, they will save $55 million by discontinuing the rehabilitation assistance program which provides financing assistance to landlords to upgrade their properties, a program which has been used across this country by municipalities to provide adequate and affordable housing. This is another $55 million toward the paid-up Rolls Royce.

The biggest shock to all Canadian families has got to be the impact of the proposed unemployment insurance cuts. The Minister of Employment and Immigration (Mrs. McDougall) put them in before the Budget was introduced to take a little of the heat off. The pot was sweetened a little bit by changing the paternity leave benefits, and allowing those workers over 65 to participate in the program. But no one was fooled. Everyone understood that the Government had to respond to a Supreme Court decision.

What of those Canadians who, in addition to now being forced to foot the entire bill for unemployment insurance along with their employers, at the same time have their eligibility cut? Does the Government think that they are fooled by this program of privatization of the unemployment insurance program? Small business is not fooled. The workers are not fooled. They will be joining the workers while they fund this private program.

Does the Government really believe it is helping those most in need when it ensures that this new unemployment insurance program will exclude seasonal workers, mostly women, farm workers, mostly women, fish processors, mostly women, building trades workers with increasing numbers of women? Who may still have the privilege of paying for the insurance program? Those same workers who may indeed never again be eligible to claim. Those workers are not fooled.

• (1550)

In all the areas I have discussed, women are the hardest hit by the cut-backs of the Government. Women, especially working moms, are the most in need of safe, accessible and affordable child care. Women who are unemployed are most often in jobs that are short term or part time and are less likely to qualify for UI benefits. In addition, the increased premium would hurt them more because they have proportionately less disposable income.

Women will be the hardest hit by the proposed federal sales tax. On average, women only earn 66 per cent of what men earn, and generally women spend a greater proportion of their disposable income on goods and services, especially if they have children.

Women first faced deindexing of family allowance, I might add one of the only benefits that goes directly to women for their children. Now universality is under fire, and the Government plans to grab it back.

There are more women than men over the age of 65 who are receiving Old Age Security pensions. Four years ago the Government attempted to deindex those women's pensions, and again the Government has begun the erosion of pensions.

Women will feel the effect of cut-backs in transfer payments to the provinces. A 1 per cent cut-back

represents $200 million per year. Primarily in the areas of health and education our women in Canada will feel the effect because they are more likely to be poor and in need of services. Women are more likely to be poor and in need of affordable access to education.

The biggest insult of all to Canadian women is the axing of $2 million from the Secretary of State's women's program. This translates into a 15 per cent cut in funding for many groups that for the first time have given women a voice in this country, especially immigrant women.

There is also a whopping 50 per cent cut to the National Action Committee on the Status of Women. This organization has represented almost 600 women's groups. What have we done? One cannot help but wonder at a Government that espouses its commitment to including women's voices in the national consensus, but the minute it hears something it does not like, it silences those voices.

In conclusion, I would like to reiterate to government Members that Canadian families are not fooled by the Budget. Canadian workers are not fooled. Canadian seniors are not fooled. Canadian women are not fooled. Most of all, Canadian children will hold the Government accountable for lack of shoes, food, and shelter in the name of a paid up Rolls Royce.

On April 28 Canadians mourned those workers who died building this country. The day the Budget passes will also be a day of mourning for the Canada that will be forever lost at the expense of those most in need.

Hon. Steven Paproski (Edmonton North): Before I entertain questions or comments, the Speaker would like to make a ruling.

* * *

POINTS OF ORDER

INTERIM SUPPLY—SPEAKER'S RULING

Mr. Speaker: I said a few minutes ago, in response to points of order raised by the Hon. Member for Kingston and the Islands and the Hon. Member for Glengarry—Prescott—Russell, that I would consider the points. It is important to understand the point that both Hon. Members are making. Put as simply as I can put it, it comes down to the following.

While the House was adjourned there were certain special warrants issued because the Government needed money. Those special warrants were issued under the provisions of the Financial Administration Act. There is a Bill which will be voted on tonight at 5.45 p.m. which, among other things, in Clause 3, and I am reading from the note in the margin, refers to the confirmation of payment under special warrants for the fiscal year 1988–89. Those are the special warrants complained of by the Hon. Members.

In order that everyone does understand, ordinarily a Bill comes in, there is first reading, second reading, second reading debate, and if that passes it goes to committee, comes back again in report stage, and then there is third reading.

This Bill which confirms those warrants will not proceed in that manner, because there is a special order which states:

> That, when the House reaches Orders of the Day on Thursday, May 4, the House shall debate an opposition motion, notice of which shall have been given the previous day, and no later than 5:45 o'clock p.m. on May 4, the Speaker shall interrupt debate and put, forthwith and successively, without amendment or debate, every question necessary to dispose of the said motion; and then the Speaker shall put forthwith, and successively, without amendment or debate, every question that may be necessary to dispose of any motion relating to interim supply and for the passing at all stages of the Bill based thereon, following which the Speaker shall adjourn the House;—

That is the special order, and I know that Hon. Members know that I am bound by that special order. I cannot interrupt it or interfere with it. It is an order of the House. I point out that it is also an order that applies today by consent, but that is not a matter which changes the substance of the issue.

The effect of this special order is that provided the opposition motion is debated throughout the rest of the afternoon, there will be no time under this special order to debate the content of this Bill. In other words, Hon. Members have put the point that there is no opportunity to debate the contents, the whys and the wherefores of the moneys asked for and spent under the special warrants. I think I have the Hon. Members' point.

I suppose it could also be said that if the opposition motion ended early today, technically there might be some time for debate, but one cannot foretell that. There is a very real possibility that there would not be any time for debate.

The Hon. Members also referred to a special report which was filed with the House by the then President of the Treasury Board in 1980. I have been informed that that particular report was filed for information purposes only and it does not form part of the supply process. While it might very well be a good thing that such reports are given to the House under those circumstances, it is not required and I cannot insist upon it.

In my view Hon. Members have clearly expressed what to them is a grievance. As I stated at the beginning, that grievance is that the House will pass tonight in all stages a Bill confirming the special warrants, and they have not been debated nor has there been an opportunity for the House to examine and debate them and go through the usual procedure.

The point Hon. Members are making is that this would seem, on the face of it at least, to be a breach of parliamentary tradition. We heard some very incisive arguments put a few days ago on the necessity for Parliament to be in command of the spending and that Hon. Members have the obligation, which is part of the ancient history of this place, to examine the spending requirements of a Government and either to reject them or pass them.

• (1600)

Having said that, the probability is, as Hon. Members have pointed out, that there will not be any examination or debate on these particular warrants. The House, of course, that is, all the Members of this place, at least in theory could defeat the Bill tonight. I say nothing further.

In any event, the position comes down to this: nothing has been done which breaches the rules of this place. That does not mean that the grievance the Hon. Members have may not breach some tradition or some convention of this place. But upon that I am helpless to react or to change.

It seems to me the solution is to either amend the Financial Administration Act or to amend the Standing Orders. The Hon. Members have raised the point in the Chamber a few minutes ago, suggesting that perhaps the Government would refer the whole matter to the appropriate standing committee. Again, as I indicated, I am powerless to order that. That is a matter for consultation between both sides of the House.

In any event, I come back to the point raised by the Hon. Member for Kingston and the Islands (Mr. Milliken) and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). The point they make is clear. The probability is there will be no chance to examine and debate the warrants. Unfortunately, for those Members who are complaining about this, the Speaker is not in a position where the matter can be remedied. But the point the Hon. Members have made is there for all to see.

I thank Hon. Members for their interventions.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

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

> That this House condemn the government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened to the speech by the New Democratic social affairs critic and I see once again that what distinguishes the New Democrats is that they never had to administer a budget, Mr. Speaker. I think that is why they have no credibility, because we hear them promoting programs that are indeed necessary, but which cannot be financed.

I would also say, Mr. Speaker, that they are inconsistent because before, they advocated taxing the rich to ease the burden of the poor. That is what we did with the latest Budget, but they continue to pretend the opposite. I would have two questions for the Hon. Member.

The first is that the New Democrat was against the national child care strategy when it was presented to Parliament. Her colleague, the former critic, said, for example, Mr. Speaker, that the Canada Assistance Plan was more generous. She claimed that it was. She therefore said that the national child care strategy should be rejected and the status quo maintained. Today, if I go by what I just heard the New Democratic critic say, they would now agree with the national child care strategy brought in by the Conservative Government. I would like her to explain to me why the New Democrats have changed their mind.

Secondly, I would like the Hon. Member to tell us why her party and she claims that transfers to the provinces for health and education will be reduced when in fact, Mr. Speaker, the truth is that $25 million more will be transferred to the provinces over the next five years. So I would like her to explain to me why she claims there are cuts when $25 million more will be given over the next five years?

[*English*]

Ms. Langan: Mr. Speaker, I remind the Hon. Member that the New Democratic Party has indeed run budgets in British Columbia, Saskatchewan, Manitoba and the Yukon. In return, I would ask the Hon. Member how many budgets she has administered?

Mrs. Bourgault: At least five.

Ms. Langan: First, let me respond to her comments regarding child care. She suggested that we were against the Tory child care Bill in the former Parliament. She is indeed correct. We were against the child care Bill of the former Government. We were and we are against that child care Bill.

During my speech, I stated that as a result of having input from people across the country who deliver and who require child care to explain to the Government why the Tory child care Bill was totally inadequate, we hoped the new Minister would, as a result of that input, bring forward an adequate child care Bill that would cover adequacy, affordability and universality.

The fact is that the Minister not only did not bring back the old Bill, he did not bring in a new Bill. He has totally chickened out on the Bill.

Mrs. Dobbie: Mr. Speaker, I want to ask the Hon. Member two brief questions. What would the Hon. Member do about the national debt? Second, I would like to ask the Hon. Member if she would like to pay more taxes.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I would just like to say that the transfer is not $25 million but $25 billion. I would like this to be recorded in *Hansard*.

[*English*]

Ms. Langan: Mr. Speaker, the Hon. Member asked two questions: One on the national debt and one on whether I am willing to pay more taxes.

With regard to the national debt, I would begin by making sure that taxation was fair, that corporations that are making profits pay their fair share of taxes, and banks pay their fair share. Canadians are willing to pay taxes if it is fair, if everybody is paying a fair share.

The answer to the second question is yes, I am indeed willing to pay more taxes as long as the Royal Bank is not paying less than the clerk or Cominco is not paying less tax than my father, who was a steel worker for 40 years.

Mrs. Dobbie: I am glad to know that the Hon. Member would like to make her contribution to the tax rolls of this country.

I want to refer to a comment earlier in her speech about child care. She thought there should be a fairer system and lots more child care available. I just wonder if the Hon. Member has a problem with the concept of parents looking after children. Does she believe that children should be cared for in institutions? Is that the future her Party sees for the children of this country?

Ms. Langan: Mr. Speaker, I really must thank the Hon. Member for her question because it displays the total lack of understanding on the other side of the House for the needs of women and children in this country regarding child care. Indeed, it would be preferable that all children in Canada could stay home with their mothers, but the reality of life in this country is that most women must work, and the reality is that there should be choices in child care. There should be child care centres, there should be family day care centres that are licensed, and there should be the opportunity for someone to come into the home to deliver child care, depending on the needs of the family, the means of the family and the schedule of the family. I think it is very sad that the Hon. Member does not seem to understand the needs of Canadian women and children. I am so sorry about that.

The Acting Speaker (Mr. Paproski): Questions and comments are terminated. Debate. The Hon. Member for Rosedale (Mr. MacDonald).

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I move:

That the Member for Kent (Mr. Crawford) be now heard.

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

• (1610)

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Rex Crawford (Kent): Mr. Speaker, I am pleased to take this opportunity today to speak about an issue of major and grave importance to my riding and to Canada. It is the environment.

This Government's lack of concern in funding of the environment hits very close to home. The northern parts of my riding receive their water from one of Canada's pollution hot spots, the St. Clair River. Communities downstream from Chemical Valley were looking to complete a pipeline from Lake Huron. It would ensure a clean source of drinking water. It would ensure that residents were not drinking water filled with spilled chemicals, filled with toxic material, filled with blobs of unknown origin. It would ensure that residents in Wallaceburg, Dresden, Walpole Island Indian Reserve and the surrounding townships were not held hostage to the constant threat of spills and the worry about the quality of their drinking water.

The Lake Huron pipeline project was announced in 1986 with 79 per cent funding from the Ontario Government. The federal Government had a role to play in this project. The St. Clair River is an international waterway, and the Conservatives have said that environment is their priority, that it is at the top of their agenda. The new Minister has made many statements about keeping the environment safe for our children and grandchildren.

The Lake Huron pipeline project is a symbol of this Government's inaction and incompetence in terms of the environment. Last week the Minister stated that his Government would have no involvement whatever in the project. It was a shameful and careless response. In our time of need, this Government has abandoned its responsibilities and has rejected a leading role on this issue of environment. The Tories have said to communities downstream from Chemical Valley: "It's not our problem". To those communities which have coped with over 300 chemical spills in the last three years into an international waterway, this Government says: "It's not our problem".

For a Government which spent a lot of political capital during the last election on trumpeting its revival on the environment, on saying in speech after speech that this was a Government that would not only say it was concerned about the environment but would actually do something about it, we were led down the garden path. Talk is cheap but whisky costs money. This Government and the new Environment Minister could have shown leadership by contributing to the Lake Huron pipeline but no, they said: "It's not our problem".

This Government said no to funding because it called it municipal infrastructure. That was a cop–out. We know that the Government does not have the resolve to help our municipalities with their roads, bridges and sewers. It is a bad policy that should be changed.

Both the Liberal Party and the New Democratic Party have recognized that Canada in a few short years could start crumbling beneath our feet without federal involvement for infrastructure. The Conservatives have a bad policy and we disagree with it, but the issue in Kent County is not municipal infrastructure; it is the environment. The towns of Wallaceburg, Dresden and Walpole Island First Nation have no problem with their bridges. Their roads are fine. Their sewers are working well.

However what is not fine and what is not working well is the constant worry of residents that it would take just one major spill to shut them down. Their water intake plants have been shut down several times just in 1989 alone. The worst occurred on March 22 when a spill of 13 tonnes of polyethylene glycol poured into the St. Clair River. Officials downstream were not informed until 10 hours later. The chemical had already got into the towns' infrastructure. For the first time in history, residents were told not to drink their water. No coffee in the morning, no water for the children and no water for cooling in the factories.

Residents in Wallaceburg were shocked and humiliated when they had to line up like refugees to get water. They had to line up at a shopping mall with jugs, jars and bottles just to get enough water for one day. Factories told their workers to go home. Wallaceburg is an industrial town with many tool and dye shops and auto parts makers who need water for cooling. Seniors and shut–ins had water trucked into their homes. School children drank bottled water. Sydenham District Hospital had water trucked in so as to treat the ill and the dying.

I brought all of this directly to the Minister's attention. He showed concern. He said that he was sincere about the environment. We set up a meeting with a local delegation to discuss the matter. The Minister met with me, the Mayor of Wallaceburg, the Mayor of Dresden and the Chief of Walpole Island. We tried to show him that this was a unique problem. It was a problem with the environment, not municipal infrastructure, but the Government said last week: "It's not our problem".

The former Minister of the Environment said, in 1985, that the pollution situation in the St. Clair River was awesome. That is what he said, "awesome",but actions speak louder than words. Commitment means more than public relations.

In the example of the Lake Huron pipeline project, the Government showed to everyone that it was not committed and would not act to ensure a cleaner source of drinking water for communities. I mentioned that a decision was made last week. It was a decision that took over a year for this Government to make. All along it expressed its commitment and concern for residents downstream from Chemical Valley. ERDA was mentioned as a door to be opened but last week, the Minister of the Environment slammed that door shut.

Economic Regional Development Agreements across Canada were being sized down. Some were not being renewed. Yet, in September 1987, the former Minister said in a letter that he "would be prepared to support an ERDA proposal if it reached the federal level." A base document was prepared for a subagreement. The Province of Ontario outlined in graphic detail how the economy of the region would be affected by a prolonged shutdown of the water intake plants. The federal Government received it in April 1988 and left the residents of my riding hanging for an answer until last week. That does not show commitment. There are ERDAs in other provinces, for example, water supply projects in Saskatchewan and in British Columbia. Even the Minister of the Environment himself is getting a road built in his own riding. I guess that is not municipal infrastructure.

As I said before, the Lake Huron pipeline project is a symbol of the Government's unfairness. It is a symbol of the Government's inaction on environmental issues. It led local residents down the garden path with the hope that there was more money available. However, the Tories said: "It's not our problem". The Town of Dresden is facing serious problems with the quality of drinking water. This Government has done nothing to help solve the crisis by helping to build a pipeline.

• (1620)

The nitrate levels in Dresden's water source were beyond acceptable levels. This was as of March 30, 1989. A drinking water alert was issued on April 6. Yet the Government still refuses to admit that there is a problem and refuses to help us.

As well, I have another example of the Government's words not matching a funding commitment. The Deputy Prime Minister (Mr. Mazankowski) visited my riding himself during the last election with $3 million for what he called "the Sydenham River pollution solution". It was announced with great fanfare. The feds would spend $3 million if the province did, too.

I quote from the news release of October 20, 1988:

> The federal Government is taking action to remedy pollution from agricultural pesticides that are showing up in the water supply of residents in southern Ontario's Sydenham River Basin—in particular, Dresden.

In announcing the five-year, $6 million program, the Minister of Agriculture said it would improve cropping and land-use practices to help correct the water pollution problem.

The news release continues:

> The Sydenham River project will involve field studies to identify the sources of agricultural pesticides found in the water supply. Soil studies will determine chemical movement. The program will also monitor chemical movement through drainage systems, streams and waterways, and study rainfall patterns and intensity.

I said during the election campaign locally that this was an excellent program, and one well worth the money. It showed that the Conservatives were indeed concerned about the environment and had some money to prove it. However, I have looked into the matter a little more closely. I called bureaucrats and other officials. At that time I was chairman of the Water Board for the St. Clair Region Conservation Authority. I have more than a passing interest in this project.

It was only an election promise. There was no money. The federal Government is blaming the province for holding it up because it wants new, matching funds, in addition to the great sums of money the Government of Ontario is already spending there.

Since the Sydenham project will not go ahead without Ontario's money up front, there is no project. It is a shame. The federal Government will not spend its $3 million and go it alone so the project is dead.

This is further proof that the Government's actions do not match its words.

There is another issue. I have just learned recently that an air monitoring project on St. Anne's Island near the Walpole Island Indian Reserve is being terminated by Environment Canada. As of May 15 the project will be shut down.

In light of our close proximity to the United States, and just a couple of jet streams away from the Detroit incinerator, I cannot understand why Environment Canada would not continue to assist Walpole Island fund its air monitoring project. If the Government is so fired up about the environment, if it is so committed, why would it drop this program that is so essential to the monitoring of air quality near the U.S.?

On top of that, the Government hasn't even lifted a finger to stop or delay the building of the massive Detroit incinerator. It is the largest incinerator in North America. American officials reject using the best available technology because it is too expensive. I say it is much more expensive to affect the health of Canadians who are living downwind from this garbage-burning monster.

The Conservatives should follow the lead of the Ontario Government. Its Minister of the Environment is showing guts, fortitude and real commitment to this issue. The provincial Minister of the Environment is taking the Yankees to court. He is defending our interests. Where is our Government on this important matter? Picking up bogus awards in the U.S. It seems that when there is an award to be had the Government is ready to show up to accept it. However, when it comes to action the Government has gone missing and will not even attend the show.

In conclusion, I have cited many examples of the Government's lack of real action and commitment to the environment—and this is just in my riding of Kent alone. The Minister has used selective logic on the Lake Huron pipeline project. He said: "It's not our problem". He ignores a number of water supply projects elsewhere in Canada. He ignores the fact that the St. Clair River is an international waterway. He ignores the fact that communities downstream have coped with over 300 spills.

The environmental mess has not been made by the citizens of North Kent. It is a direct result of industrial spills and Governments unable to correct the problem. If the federal Tories continue their head-in-the-sand approach then more problems across Canada will result.

This issue will not go away. The issue of municipal infrastructure will not go away. For the Conservatives to say: "It's not our problem" scares me.

The Minister of the Environment (Mr. Bouchard) has stated quite categorically that "Canadians aren't interested in battles over provincial or federal jurisdiction; they're looking for action on environment". The Minister said that recently on *Insight* with Doug Fisher.

This morning I received letters from a school teacher in the City of Chatham. She teaches at St. Agnes School where her students in grades four and five are interested in our environment. They are worried about our environment. In the last line of her letter she states: "We would really appreciate any time you can take to view these letters". There are approximately 50 letters. Not only will I view them, I will reply to each and every one of them.

Some Hon. Members: Hear, hear!

Mr. Crawford: These are the children we have to look out for. They will be the leaders of tomorrow. We have to set the examples. Unfortunately, the Government across the way is not setting an example for these students.

With the Lake Huron pipeline project there was no action, no commitment. Environmental issues are number one in Canada. It is simply unacceptable for the Government to say: "It's not our problem" to communities downstream from chemical valley. It is the problem of us all. It is a national problem. It needs a national response. So far the Government has been abdicating its responsibility.

Some Hon. Members: Hear, hear!

Mr. Martin (LaSalle—Émard): Mr. Speaker, I have a question for the Hon. Member. Before I ask it I would like to say that I come from the City of Windsor. I must say that while I have heard discussions concerning the environmental problems of my home town in the counties of Essex and Kent, I have rarely heard such an outline so well put with such perception. I would like to congratulate the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Martin (LaSalle—Émard): I would like to ask the Hon. Member if he could explain to us how it is that the federal Government has not chosen to fight the Detroit incinerator further. Its construction is virtually an act of war against a friendly country. It certainly is against the friendly City of Windsor. I must say that it is the first time in this House that a Member has stood up and with such eloquence raised the issue. In light of that it is a disgrace when I look at Members opposite.

Mr. Crawford: Mr. Speaker, I would certainly like to reply to the question. When the incinerator was discussed it was at the planning stages. My municipality was the first to send a resolution to the Government asking it to intervene and to put a stop to this incinerator.

• (1630)

We did not receive a reply to the resolution we had sent to the Government asking them to put a stop to this incinerator. As I stated earlier, it is the largest incinerator in North America. The wind currents are across my municipality, across my friend's municipality of Windsor, and across Essex. All the toxins from that incinerator are coming across our part of Canada. Yet the Government that sits in this House today did not have the courtesy to reply to a resolution from a municipality that was interested and knew that problems were going to happen.

The next year, as warden of the county, I still had not received a letter from the Government to the County of Kent.

Some Hon. Members: Shame, shame!

Mr. McCurdy: Having heard the comments from those of dubious residency in my riding, the Member for Kent claiming priority with respect to a virtual flood of correspondence from the County of Essex, I have to agree that the Government's total disregard of all correspondence with respect to environmental problems in the Essex-Kent area can certainly be substantiated by this Member. I do not know, I arrived late, but it is not only with respect to the incinerator, it is with respect lake levels, with respect to the Fermi II incinerator and to any number of environmental issues that plague our area.

I would just like to add one more on which I hope Kent county will follow Essex county, as it usually does, and that is with respect to the imminent cancellation of VIA Rail. This, I suppose, is a part of the Government's policy with respect to sustainable development and to ensure that our highways will be filled with more cars, buses, smoke, and more nitrates, sulphides and mercury to contribute to acid rain.

I hope that Kent county, and the Hon. Member across the way who was accused of being eloquent, would also add to the battle to ensure that there is a balanced transportation policy in this country which will at least pay some modicum of attention to sustainable development.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kent if he would like to reply.

Mr. Crawford: Mr. Speaker, I did not know whether that was a statement or a question. The only thing I can answer is that we certainly recognize the great County of Essex and Windsor. We always have. On your position, Sir, it has always been number two to Kent. We are certainly fighting for VIA Rail.

I thought this was on the environment and that is why I am speaking on the environment. However, I certainly agree with my hon. friend.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Rosedale.

Hon. David MacDonald (Rosedale): Mr. Speaker, in my nine year absence from this House, and more recently in the last election, I always knew it was difficult to get into this place but I never realized how difficult it might be to get on my feet to be able to make a speech in. I am grateful for the opportunity to participate in this debate this afternoon.

If, in the final comments of the Hon. Member for Kent (Mr. Crawford), there is some confusion in his mind in wondering whether it is a debate on the environment, transport, or on the Budget, he is in good company. Anyone who has even looked briefly at the motion that has been presented to us by the Member for Oshawa (Mr. Broadbent) would immediately understand that this is not one of his better efforts.

In fact, I knew the Member for Oshawa, even before he became a Member of Parliament in 1968. My recollection is that he was a university professor. In my now far-off university days, when university professors assigned you a topic to write on, you had really two options. One was to put down as much as you possibly could in

the hope that you would pass the exam with flying colours, or if you knew very little on the subject, quickly go off in the opposite direction and say as much as you could in the hope the professor would not look at it too carefully.

I have the feeling that that is what has happened here today. The motion presented to us by the Hon. Member for Oshawa states:

> That this House condemns the Government for failing to ensure fairness and equality to all Canadians, and for failing to make protection of the environment a priority.

One must wonder, having listened to the last three or four hours of debate, what the Member for Oshawa had in mind.

As I sat here this morning listening to his remarks, I was more than a little surprised that from start to finish, and even in overtime which the Hon. Member for Oshawa was permitted, there was absolutely no mention of anything with respect to the environment, in spite of the fact that that was the one specific item in this brief motion. Rather, as the Hon. Member himself said, he was participating in this "historic budget debate".

We on the Government side have tried to respond as best we can to the dilemma placed before us by the Hon. Member for Oshawa. The Minister of the Environment (Mr. Bouchard) did what I think was the responsible thing and responded on behalf of the Government with respect to the Government's priorities on environmental issues. Then the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) and others, tried to deal with the matters raised by the Member for Oshawa.

I am not going to spend very long on the Hon. Member for Oshawa's remarks except to say that I am more than a little troubled by the thrust of his remarks. Apart from the fact that he did not speak to his own motion, and the public will have to decide about that, his discussions about turning back the clock reflect more a state of mind, I feel, within the New Democratic Party than any particular criticism he might have directed our way.

We have heard once again from the Member for Oshawa some prescriptions from the dead hand of yesterday's socialism. If this is his best response to a new Parliament, and the deepening crisis of the deficit and the public debt, this does not bode well for the future.

The Member for Oshawa went on at some length lamenting the impact that changes in the nature of taxation would have on the implications for Medicare, pensions, or promised day care programs. There seemed to be no acknowledgement whatsoever on the ultimate impact a loss of economic responsibility would have on our capacity and ability to fund any of these programs.

I cannot for the life of me understand why he would make the speech that he did without some responsible recognition of the fundamental importance of a sound economy and a sound economic management in order to meet all these social objectives so strongly registered by the Hon. Member for Oshawa.

There was a kind of a philosophy, if I may dare to say so, of: "Eat, drink and be merry, for tomorrow we die". Or pay, pay, pay, spend, spend, spend and some day, somewhere, someone will find the resources necessary to cover all of this, even though our ability to do so will become increasingly limited as the debt grows faster than any other aspect of federal expenditures.

There is some slight hope, because the Member for Oshawa talked about creativity and community. In returning to academia, maybe he is going to give some thought as to how we can begin to look at the new problems that we are faced with, one of which he mentioned in his motion with respect to the threat of environmental destruction, but unfortunately did not refer to it in his remarks.

The Hon. Member for Hamilton East (Ms. Copps) made a much more direct speech. I am sorry that she is not here at the moment but I would like to say that I am grateful she has registered some of the issues that she sees as being important with respect environmental questions. But I am very much troubled that she made a considerable point which was followed up in Question Period this afternoon by an attack on the award that is to be given to our Prime Minister (Mr. Mulroney) today in Washington. I wonder what the message is in all this. This award, which is being given only for the second time by an agency that is part of the International Chamber of Commerce, is meant to acknowledge the kind of public and international leadership which in the first instance last year was shown by Prime Minister Brundtland of Norway, in her pioneering efforts with the World Commission on Development, and for the second time in international history by our Prime Minister.

Surely, even Members of the Opposition might want to bask a bit in the reflected recognition and the international importance of what the Prime Minister, on behalf of Canada, is attempting to do with respect to environmental issues. Surely it is not simply a matter of turning this into something that is bogus or phoney, as we have heard from the other side. This does no service either to Members of the Opposition or to the attempts of an international organization of business interests to take seriously issues of sustainable development, issues which I believe Members on all sides of this House see as critical.

• (1640)

I will return to that in a moment because I think it is central to what I hope would be the main purpose of today's debate. There is no doubt that the cumulative effect of climatic change, the destruction of the ozone layer and of forests, farmlands and waters and the spread of toxic chemicals is being recognized as one of the greatest challenges we face. In its 1987 report entitled *Our Common Future*, the World Commission on Environment and Development said that the threat of environmental destruction is second only to that of nuclear war. That commission, headed by the Norwegian Prime Minister, said that the damage in parts of the earth is already worse than scorched-earth policies of armies. From my own first-hand experience over the last four years, I have seen that kind of destruction. In parts of Ethiopia and Sudan and in parts of West Africa, I have seen what can happen when an environment is so ravaged and loses so much of its capacity for growth that it can turn on its remaining inhabitants and create a situation only akin to a world after a nuclear holocaust.

The commission said:

> Nature is bountiful but it is also fragile and finely balanced. There are thresholds that cannot be crossed without endangering the basic integrity of the system. Today we are close to many of those thresholds.

The United Nations-sponsored Brundtland Commission did not call for an economic shut-down to protect the environment. That would be impossible in the industrialized world and simply unfair and unacceptable in the developing world where there are many just beginning to take full advantage of the developments of modern technology. Instead, this global commission issued a new agenda saying that the planet needs a new era of environmentally sound economic development. From now on, the report said, economic decisions must be based upon environmental realities. I am not sure whether it invented this term, but it certainly put front and centre the term "sustainable development" to make the link between environment and economy.

Indeed, I was struck when I heard the Liberal critic on environmental matters, the Hon. Member for Hamilton East (Ms. Copps), who said at one point in her speech, and I hope I am quoting her accurately, that she felt that Canadians are in fact willing to make the same kind of sacrifices with respect to environmental issues as will be required for the economy. I listened very carefully in the same context to the Minister of the Environment (Mr. Bouchard) who said that in the present situation we have in fact two deficit situations to deal with, a deficit with respect to the present federal debt and the ongoing problems of the cost of the deficit and a deficit in terms of the impact of the increasing degradation and pollution of our environment. That is why I think it is critically important that we understand that we cannot really address one satisfactorily unless we address the other.

Hon. Members will recall that when the Minister of Finance was presenting his Budget, he used some language which I felt was quite eloquent, and I want to repeat it because I believe it has strong application to the issue of environmental protection and sustainable development that we are discussing here today. In addressing the debt issue, he said that we must ask ourselves, should this enormous debt be our legacy to future generations? Let us be clear about what it means. If we continue year after year, Government after Government, to borrow and borrow just to pay the interest on that debt, we would be borrowing from our children, not paying our own bills. It is easy to borrow from future generations because they have no voice in this debate. They have no vote. Yet it is they who must live with the consequences if we do not act. Then he said words which I think have equal applicability to environmental issues and economic issues. He said that this Budget must build for the future, not borrow from it. That is the challenge we are faced with today.

This past summer, I was asked to participate in a conference that took place at Trent University by the Harmony Foundation as a follow-up to the Brundtland Commission. Its report was recently published and I recommend it to all Hon. Members. The remarks that I made fell under a title that I hope I can continue to use on this and other occasions. The title is this: "Good economics and good ecology make good sense". In the speech, if I may be so bold as to quote myself, I said that we are very good at responding to crises and emergencies. However, we do not know a great deal. We are not sure how to work with people at getting at the underlying causes that create these crises in the first place. That is

the challenge. That is what we are faced with today. How can we combine a positive sense of economic management and a proactive approach with respect to sustained environmental development?

Clearly, one of the things that I believe is critical is that we have to end what has increasingly become the artificial confrontation between economic activity on one side and environmental protection on the other. What troubled me particularly about the questions raised surrounding the award given to the Prime Minister, both to him personally and I assume also to Canada and Canadians for the particular concern we have about the environment, is that to make the false and continuing dichotomy between economic interests, business interests, industrial interests and those who are concerned with the environment does none of us good service.

I would like to quote one individual who has dedicated his adult life to fighting pollution and dealing with environmental issues. Colin Isaacs, the executive director of Pollution Probe, has recently recognized that there are in fact companies which previously were regarded as being primary offenders in the pollution problem but are now becoming part of the solution. He mentions specifically Loblaws, Alcan and Dow Chemical. Hon. Members will know that Loblaws has recently adopted an entire program of environmentally friendly products supported by Pollution Probe. It is interesting that Alcan, mentioned specifically by Isaacs, is the one Canadian company that is included in the international group that made the award to the Prime Minister.

We have to change how we get at these problems if we are ever to get beyond the kind of reactive, crisis-oriented approach which has for so long prevented us from becoming environmentally responsible. When one reads the Speech from the Throne and looks at the environmental imperative which is in fact a major priority for the Government and Parliament, there can be no doubt that there is a seriousness here that is without historic precedent. The formation of the round table is in itself significant in that it tries to bring together in a creative fashion those who have both economic and environmental responsibility.

• (1650)

The Member from Oshawa has done a good service in allowing us to start this debate. I only wish he himself had engaged in it. We need to find practical, workable approaches both to economic and social advancement as well as to environmental enhancement. I trust that when we return, as we will increasingly to these matters, both the Member for Oshawa and other Members will provide more of a positive note. For the moment, I would have to say to the Member from Oshawa that I would only give him a C or C– for the way in which this critically important motion has been addressed by him, and for this particular opposition debate.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Scarborough West, and then the Hon. Member for Vancouver East.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I listened with interest to the Hon. Member's speech, and particularly the title of his address which, I think, was Good Economics and Good Ecology Make Good Sense. I would suggest that it be subtitled, What Price Environmental Protection? I have grave difficulty in tying in a Budget and a deficit to the protection of the environment. Without being unduly dramatic, it really does not matter if the deficit is $5 billion or $500 billion if the air we breathe is filthy, if the lakes we swim in cannot be used. You cannot link the deficit to the protection of the environment. You cannot scrimp on the cleaning up of a country by trying to save dollars and cents, because there is no correlation between the environment, our health and that of future generations and saving money by reducing environmental protection policies.

We heard from the Member from Kent (Mr. Crawford). I would be very interested in the Hon. Member's comments as to why Members opposite have not done something with respect to the problems that he pointed out in his speech. Is it a matter of money? Is it because that Government considers it more important to save dollars than to save the environment?

Mr. MacDonald (Rosedale): This is an interesting question. I suppose it is one of those situations where we need to get together and agree upon what the facts are. I am sure the Hon. Member is in agreement that, based on the experience of the last two decades, more and more of our tax dollars have gone unproductively to service a growing debt. Our capacity to deal with the problems that have been created—and we have heard a number of them; he has referred to one of them from his colleague, the Member from Kent—or any other problems will be increasingly restricted. Surely there is a direct interconnection between an economy that gets out of control and an economic system in which there is less and less ability to make important decisions, either to protect the social or environmental aspects of our society, and it is profoundly unhealthy. I find it difficult to believe the Member would argue that we can more readily deal with matters affecting the environment if we have less and less economic capacity to do so. That is not a convincing argument, but perhaps if he has a further opportunity, he could persuade me to his point of view.

Ms. Mitchell: Mr. Speaker, I would like to say how pleased we are to see the Member back in this House. We would certainly agree that he is a Canadian that has much to contribute, particularly in his field of knowledge, conditions in the Third World and particularly in Africa.

Therefore I would like to ask him what are his views on what I would consider the very serious cuts to official development assistance. As I understand it, about $720 million would be cut from aid over the next two years. Does he not agree that cuts to programs, such as those that come under UNICEF, which help children in Africa and other parts of the world, would mean that children will die for lack of needed immunizations and food supplements? Does it not also mean that Canada's commitment made at the Decade of Women Conference in Nairobi of increasing our support for women in development, which means strengthening families and children in the next generation, will also be cut back?

What does this do to our international reputation, which we have been proud of as Canadians? The Prime Minister (Mr. Mulroney) has made strong commitments that we would not decrease, but would increase support. When does he think, with this kind of regressive action, that Canada will ever achieve our promised goal of .7 per cent for development aid which, as a rich country, we can well afford in a world where so many are starving?

Mr. MacDonald (Rosedale): Mr. Speaker, I thank the Member for her kind words of welcome. She is quite right. The significance of the cuts that have been made to the Official Development Assistance Program are important. Naturally I, as well as many other Members, am not pleased that we have had to make this kind of reduction. But I also recognize the fact, because I had the occasion some years ago to sit around a cabinet table trying to make the same kinds of decisions, that when it comes to trying to get your household in order, there is not a great deal of flexibility. I do not know whether the Hon. Member has ever looked at the amount of available opportunities a Government has to reduce its expenditures, particularly in the first year.

Ms. Mitchell: Deferred taxation.

Mr. MacDonald (Rosedale): I am glad to hear the Member say she would prefer that there would be more taxation, but—

Ms Mitchell: Deferred taxes could be collected, millions of dollars.

Mr. MacDonald: I am not sure which one she is referring to, but I do know that it is not an easy exercise. It is my belief that in this exercise great sensitivity has been taken with respect to the programs for people, which is what the Member has referred to. I am always concerned when there are reductions in global expenditures in budgets that it is not taken on the backs of those who are individually involved at the field level. I believe there is the opportunity, because within the over-all official development assistance, there are large budget items which can be rescheduled which are more in the nature of infrastructure than programs for people. These are the kinds of sensitive decisions that the people in CIDA, who have a good view of development responsibility, will take into account.

In response to the other question the Member raised, the sooner we meet the original target of .6 the better, but even with these reductions, Canada continues to be a major leader in international development assistance, particularly on the continent of Africa. I believe that is a position that we will continue without abatement.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member from Renfrew and then the Hon. Member for Egmont.

Mr. Hopkins: I would like to say to the Hon. Member who has just spoken that I, too, would like to welcome him back into the House because we were first elected to this place on the same day, and the casualty rate for the class of '65 has been rather severe over the years.

I was quite moved when I heard the Hon. Member say that we cannot borrow for the future, that we have to get the debt under control and so on. I do not think there is a Member in the House who does not feel that the debt has to be brought under control. But let us not make any mistake about it. When the Government that he is supporting at the present time came to power, the national debt of this country was $170 billion. At some point between now and this fall it will pass the $340 billion mark, which is exactly double in five years. Does he not think it would have been better if his Government had taken their own rhetoric seriously? They are always talking about how they are good financial managers and what a tremendous job they have done managing the finances of Canada over the years. This is at a time when they have doubled the national debt in five years, equal to the amount of the first 117 years since Confederation.

Does the Hon. Member not think it would have been better if the Government had put some of its own rhetoric into play four and a half years ago when they came into power, and really meant what they said instead of coming down like a sledge hammer on everybody because the Government suddenly realizes they are in serious trouble? The Government is in serious trouble because it has had no planning in the interim since it came to power.

• (1700)

Mr. MacDonald (Rosedale): Again, I greet a member of the Class of '65 on my return. I have to say to the Hon. Member for Renfrew (Mr. Hopkins) that he is on very shaky ground if he is trying to make a case that we have not changed the direction of a Government that he supported for more than 15 years, and in this instance attempting to further those objectives in this first Budget in the new Parliament. If I hear the Hon. Member correctly, I hear him saying that perhaps we should have been even stronger. I hope when we get to vote again on the Budget that the Member will join us in voting for this Budget, as I hear him *sotto voce* expressing. I welcome that support. I come from a profession which always welcomes those who come with penitence, and if that is what this is about, I have no problems with that.

Mr. McGuire: I now represent the riding that the Hon. Member represented for 15 years, and I would like to ask the Hon. Member why he has so much sympathy for the environment, and assisting those peoples in the Third World, and then callously demonstrated on a television interview last week in Summerside that he has no sympathy for the people he used to represent.

Mr. MacDonald (Rosedale): First, I would like to congratulate the new Member for Egmont (Mr. McGuire). It is a great constituency to represent, and I am sure the Hon. Member will enjoy representing it. I am troubled that he would significantly misrepresent what I said. I would be happy to sit down with the Hon. Member and look at the transcript of that television program, and also several other interviews I did while I was in Prince Edward Island.

I did not go there for the express purpose of discussing that matter, as the Hon. Member knows. I thought that I owed it to the people of that part of Prince Edward Island, and indeed all Islanders, to advise them of the basis on which the decision was taken, and also give what I thought was some helpful advice. In case the Member missed the advice, I will briefly repeat it.

From the time I was first elected in 1965 I have stated that the base at Summerside has been a bit of a time bomb. If the Hon. Member has not already heard, he will find out that National Defence has tried to close that base for years. Many efforts have been made to maintain it, by both provincial and federal Governments. I can tell the Member that it will be very important in this critical period not to play politics with a matter that has consistently received the support of all people in the province, and always to look at the alternatives that might support the base not in a partisan manner. If the Member is, may I dare say, irresponsible enough to turn it into a partisan situation, he will do his constituency and the people of Prince Edward Island no good service.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate the Hon. Member for Okanagan—Shuswap.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is a pleasure to have this opportunity, on behalf of my constituents in the riding of Okanagan—Shuswap, to respond to the motion before the House.

The new constituency of Okanagan—Shuswap is located at the north end of the Okanagan Valley, in the southern interior of British Columbia. The riding includes the Shuswap and Okanagan Lakes water basins. It enjoys a thriving tourism industry which complements both the forestry and agricultural industries.

Without a doubt it is probably one of the finest pieces of real estate on the globe. It has a quality of life that is virtually unsurpassed. The people of the riding of Okanagan—Shuswap are very proud of that environmental heritage. They are becoming increasingly concerned with what they see at a local, provincial, national, and global level as a threat to their quality of life and the quality of life of all Canadians: the accelerating loss of our forests, the strangling of our agricultural industry, and threats to our limited supply of fresh, clean water.

Although my constituents in general applaud the Government's new-found commitment to environmental issues, they are also as suspicious as I am that those promises on the environmental initiatives will evaporate as quickly as have hundreds of other promises.

It is true that the Government is preparing to spend more money on the Ministry of the Environment. The Government is also spending hundreds of millions of dollars more on energy megaprojects that will harm our environment. While it has increased spending in the ministry, it has cancelled what amounts to approximately $1.6 billion worth of election promises on environmental issues. I wish to list a few of them. Energy conservation, research and development, $600 million; measures against acid rain, $300 million; the Halifax Harbour clean-up; the Great Lakes clean-up, and the list goes on.

While more is being spent in the ministry, a recent article in one of the local papers indicates that the Minister of the Environment (Mr. Bouchard) is spending more than $40,000 alone on his own environment on improvements to his office at the same time that billions of dollars worth of environmental commitments made by the Government during the election are being cancelled.

One of the most disturbing memories that I can recall as a child is the recurring question of just where did all the steel, rubber, and other materials come from to build our way of life and our nation? What about all the energy to supply and heat our homes, and the gasoline to run our automobiles? I always used to question where it all came from, and what will happen when we finally run out. In more modern terms, it could be phrased as just what are our limits to growth?

In the early 1950s the term "pollution" was not widely recognized or understood. The concept of resource depletion was virtually unheard of. Our approach to nature was to beat it into submission. Mother Nature was to be conquered by man's technological superiority.

Industrialized nations with booming post-war economies were caught in an economic frenzy, building a better life for their citizens and consuming more and more of our non-renewable resources.

The 1950s were the golden years of the industrialized world. There was a standard of living that was unmatched in all of previous human history. The "good life" at last was within our reach. Big cars, big egos, fast times. The measure of success was a '57 Chevy and a full tank of gas.

Then things began to change. We were now beginning to bump up against some very harsh realities. It was during the 1960s that the first faint cries of environmental concerns were heard. Rachel Carson's book entitled *Silent Spring* outlined the consequences of our environmental neglect. It provided the focus needed for the environmental movement. At that time, that movement was considered a collection of academic eccentrics and back-to-nature freaks that no one paid a lot of attention to. We are now beginning to take them very seriously.

Later works such as *Limits to Growth*, published by the Club of Rome in the early 1970s, raised legitimate concerns that the world we lived in was heading straight toward a catastrophic collapse both economically and environmentally, which at that time they considered may have already been too late to avoid. Today, almost a quarter century after these first alarms were sounded, the industrialized world continues to lurch from crisis to crisis, not understanding that as a delicately balanced system, our environment is in fact getting more and more out of whack.

• (1710)

Governments, like this Government, are notoriously slow at recognizing and adapting to that kind of change. We continue to trade off our environmental quality, our quality of life, for political expediency, managing under the myopic viewpoint of a four-year mandate rather than considering the longer-range implications of our actions and our stubborn refusal to recognize and attempt to resolve environmental concerns.

The Chernobyl nuclear holocaust, the Bhopal disaster, trans-mountain boundary disputes on acid rain, increasing levels of carbon dioxide in our atmosphere, the greenhouse effect, the escalating destruction of our rain forests, accelerating elimination of entire species from our biosphere, dangerous toxic spills, like the *Valdez* disaster, all of these events point to man's inability to come to terms with the immutable laws of nature. I want to add that mother nature is now telling us loud and clear that she has limited patience and it is rapidly wearing thin.

To date, our response has been to view each environmental crisis we have come up against as a single issue. We continue to treat it as a symptom rather than recognizing the underlying cause. As long as environmental crises continue to be viewed as these isolated issues which can be managed by reactive bureaucratic measures, then this global trend toward environmental degradation and ultimately environmental catastrophe will persist.

As long as governments continue to view the solutions to environmental problems as a means of restoring confidence in the status quo, rather than as a means of learning from our past mistakes and adapting to future problems, then we will continue to walk straight toward the precipice of environmental catastrophe.

As long as our economic systems continue to embrace this mistaken necessity for continued economic expansion and the consumption of a limited resource base, then we are going to continue to flirt with self-annihilation. There is simply no way around it.

In light of the Brundtland Commission which has been discussed continually in the House, it is now time to take decisive action and to commit ourselves to a policy of sustainable development, where economic growth is inextricably linked to the ability of our environment to support it. This is, without a doubt, the most critical challenge that we face as a country.

In the middle of the 20th century we saw our planet from space for the first time. That vision of a fragile globe alone in the vast infinite void of space may in fact have had a greater influence on human thought than did the Copernican revolution of the 16th century.

Recently a Saudi astronaut, who flew three years ago on a NASA shuttle mission, related his experience of seeing for the first time from space his mother earth. He said:

> The first day or so we all pointed to our countries; the third or fourth day we were pointing to our continents; by the fifth day we were aware of only one earth.

As a NASA payload specialist explained:

> Once you have seen planet Earth as a huge community, it is hard ever again to relate to the walls we routinely build to keep each other out.

This is a paradigm shift of perception that has been experienced by our astronauts and may indeed be critically important in ensuring our very survival as a species. We have come to view this earth not as an endless warehouse of resources that we can continue to exploit, but rather as a fragile and delicately balanced biophysical system that is both finite and exhaustible.

When this century began, neither human numbers nor technology had the power to radically alter our planetary systems. But as this century closes, we find that the impact of our human and our technological growth has produced major and unintended changes in our atmosphere, in our soils, in our water, in fact in the entire complex web of life that makes up our physical world.

Mankind's inability to fit things into the pattern of nature is in fact initiating widespread changes to our world. Many of these changes are accompanied by life-threatening hazards and propelling us as a nation and as a planet toward a new reality from which there is no escape.

This new reality has to be recognized and it has to be managed. We have the ability to reconcile our relations with the natural laws and in fact to thrive in the process. There does exist the possibility of a new era of economic growth but it must be based on policies that sustain and policies that expand our environmental resource base.

To do so, we as decision-makers must also experience this paradigm shift in thinking that our astronauts first experienced from outer space.

Our hope for the future is conditional on decisive action now, in fact yesterday, to begin managing our environmental resources, to ensure sustainable economic growth and human survival.

Our commitment must be defined in a new conceptual framework of a world that is rapidly approaching its limits to growth. Our policies must reflect the economic and environmental limitations which human society must learn to live with if it ever hopes to see the 22nd century.

To tackle this new reality we cannot afford to embrace any outmoded ideology, nor can we afford to pasture any sacred cows. We have to throw out old ideas and biases and look for solutions that work.

The necessity for open-mindedness and political flexibility has never been greater; the problems never more daunting, and the consequence of failure never more severe.

The challenge is before the House today. Do we have the courage to accept it?

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it is an honour to take part in today's debate on the motion put forward by the New Democratic Party of Canada.

I especially welcome the opportunity to discuss before the House the environmental commitments made by the Government and to which the Speech from the Throne gives an importance never seen under any previous government.

[*English*]

Hon. Members will know that the environment is one of the five areas of priority for this session of Parliament, as stated in the Speech from the Throne. The commitment of the Government as laid out in the Throne Speech will be honoured.

[*Translation*]

Mr. Speaker, we are entering a new era. Basic changes are needed in the way we treat our precious environmental heritage. Canadians have a special responsibility to their environment. Our country, as vast as a continent, is the second largest in the world. That shows the magnitude of our responsibility as trustees and keepers of one of the world's natural jewels.

Canadians deserve the respect of the international community for having made the environment a national priority.

It is not by chance that leaders of other countries have praised our Prime Minister for his commitment to ensure the viability of the environment. It is not by chance, Mr. Speaker, that our Prime Minister, the Right Hon. Brian Mulroney, will receive this week from Mrs. Gro Brundtland, Prime Minister of Norway and world champion of the environment cause, a special prize in recognition of what he has done for the environment.

These tributes and such prizes are rightly for the Canadian people and their Prime Minister in recognition of the special attention and care they have given to seeking and implementing environmental solutions. As a Government, we want to realize the environmental aspirations of the men and women whom we have the honour to represent.

Mr. Speaker, I would like to mention here a particular initiative of the voters in Argenteuil—Papineau, whom I have the honour to represent. Next Monday, I will have the pleasure to inaugurate the environmental training centre located, Mr. Speaker, in a magnificent heritage house formerly owned by the federal Government on expropriated land in Sainte-Scholastique-de-Mirabel. This centre has been renovated according to the Québec Department of Cultural Affairs, in a truly magnificent setting, Mr. Speaker. I invite you to come and have a look around.

I can tell you, Mr. Speaker, that the Government of Québec, through the Department of Education— Also, I would like to congratulate my provincial counterpart, Mr. Ryan, for financial assistance, because he is Minister of Education in Québec. The federal Government, of course, invested a lot of money and it is the first environmental training centre, Mr. Speaker, sponsored by the very dynamic St. Jerome CEGEP. Thanks to our Government's support, they were able to set up this training centre that is unique in Québec.

So, Mr. Speaker, you will understand that I take no little pride in representing them because they are leaders in this field.

Members of this House therefore understand, Mr. Speaker, how much is asked of us as a society. We must correct past mistakes and put our country on a new path, one of imagination and concern for harmony with our natural environment.

In the past, we approached our environment in two ways. First, we sought to restore it in regions where massive industrialization threatened the ecosystem. At the same time, we tried to protect areas, like parks, which are essential elements of our natural heritage.

All levels of government have dedicated themselves to this kind of action, which the Government of Canada considers just as important.

Nevertheless, we must now turn our efforts to something else, which affects the economy, the environment and behaviour. In a word, we must take a new approach, sustainable development.

When economic progress threatens our environment, Mr. Speaker, it not only lacks vision but it also exposes us to grave dangers. Indeed, it is no longer progress but a senseless race to ruin and collective destruction. The triumph of human creativity provides the ultimate irony. What has made our species great and given it amazing domination over its habitat now threatens to lead it to ruin.

• (1720)

[*English*]

The knowledge and progress of centuries of human endeavour have been translated into practices which threaten to destroy us. The alternative, our only alternative, to apply this same energy, knowledge and creativity to sustaining our economies in a manner completely harmonious with our environment.

We know that climate change caused by greenhouse gases has the potential to unleash radical and devastating impacts on our planet.

We know that the stratospheric ozone layer is being depleted and that each 1 per cent decline in that layer is likely to produce a 4 to 6 per cent increase in skin cancers.

We know that every day an entire genetic species is disappearing from our planet, an organic creation which will never, ever repeat itself.

We know that acid rain from sulphur and nitrogen oxide emissions is killing lakes and forests around the globe and that here at home some 14,000 lakes are now considered dead.

Isn't it amazing, Mr. Speaker.

[*Translation*]

Yes, those myriad lakes that we are counting now, since so many have started to die. Mr. Speaker, the riding of Argenteuil—Papineau is unique in terms of its beauty and its many lakes that provide a magnificent environment for people in Montreal who want to live in the country but not too far from the city.

Mr. Speaker, the Prime Minister (Mr. Mulroney) talked about an agenda for society, and he referred to the changes in values that were necessary. Canadians must all do their share to bring about these changes, both individually and collectively. Environmental partnership should be seen as a new social contract, one more link between ourselves and our country, and the entire planet as well.

Mr. Speaker, I realize my time has almost expired, but I know you will let me know when it has, so I will continue, because I have some important things to say in my notes.

Mr. Speaker, there is no simple way to make such sweeping changes, and Hon. Members understand that, but we are faced with a vital necessity. We cannot expect the Government to solve our environmental problems with a few waves of its magic wand.

Mr. Speaker, I imagine you know what it is like when you are driving your car and all of a sudden the driver in the car in front decides to empty his ashtray out the window. It happened to me. Of course, I immediately called the police, and this person was fortunately arrested and he paid the requisite fine. It is incredible that in 1989, somebody would empty his ashtray just like that when we know, Mr. Speaker, that cigarette stubs, as somebody told me, take 10 or 20 years to decompose. So I was quite shocked, but I am glad I acted the way I did, because it must have cost him a few bucks.

Again, Mr. Speaker, in the Throne Speech, the Government mentioned it would establish an Environmental Partners Fund. I can inform the House that my constituents are eagerly awaiting the details of this program. Mr. Speaker, my riding borders on the Ottawa River, and it is really interesting to see how many constituents go fishing in the Ottawa River. There is also a certain amount of

boating activity that is really unique, and I have it will be allowed to continue, always of course in compliance with environmental criteria.

I also think that young people in our ridings are becoming increasingly critical when judging the position we take on the environment, and I am proud to represent a Government that has decided not just to talk but to act. Whatever our opposition friends may say, the environment should not be politicized. The environment should concern every single one of us, and we should make a concerted effort to work together on all sides of the House, with all concerned Canadians. I have, and I imagine all my colleagues have people in their ridings who are environmentalists.

Recently, Mr. Speaker, we had the *Festival des outardes* in Plaisance which is right at the beginning of my riding. Last year, the festival attracted 5,000 visitors, and this year more than 10,000 people came to admire the Canada geese that happened to stop over and add to the beauty of this area.

Mr. Speaker, we are indeed fortunate that we are not near the coast of Alaska. When we saw the birds dying after the *Exxon Valdez* spill, we felt that we were lucky we had these marvelous birds coming as a sign of spring.

Mr. Speaker, you are signalling that my time has expired. Once again, I would like to urge Hon. Members on all sides of the House to consider environmental issues as part of a common problem and to avoid using them for political ends.

• (1730)

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I am pleased to speak in the debate today. I would like to take this opportunity to speak on some environmental issues that are of concern to northerners all across the circumpolar north.

In recent months much attention has been focused on toxic chemicals in the Canadian Arctic. Many Canadians were shocked to learn that an area of the country they think of as unspoiled is subject to toxic contamination. Northern aboriginal people were alarmed by the headlines in the southern city newspapers predicting the demise of the polar bear and an end to their traditional consumption of wild meat.

For a number of years individual scientists have been working on several studies of contaminants in the Arctic. Prior to 1985 these scientists were largely working on their own, but as it became evident there was an emerging problem in the North a more co-ordinated approach was developed.

Concern about the possibility of contamination of food species from PCBs left at abandoned DEW Line sites led to visits to northern communities and pilot studies. The people of Broughton Island in my constituency were the subject of scientific studies in 1987 and 1988. Those studies found PCBs in the people and in the wild food that they consume.

This past February a team of scientists met in Ottawa to discuss these and other findings of Arctic contaminant research. Although these studies concern Inuit directly, a request by Inuit organizations to send an Inuit representative to this meeting was turned down by the Government.

Shortly after that meeting some scientific researchers flew to Broughton Island to brief the community on their findings. They told the residents that there was no immediate danger to their health and that they could continue to eat the wild food as they have always done. The community, however, still has many concerns. They want more information than they have received to date.

Following their trip to Broughton Island, the scientists travelled to Yellowknife where they made a presentation to the Legislative Assembly of the Northwest Territories. They brought the message that although chemicals have been found in the wildlife the food is safe to eat. They took great pains to stress that the nutritional benefits of the wild food outweigh any risks associated with chemical contamination. They said that substitution of Inuit foods with marketed foods would result in a poorer diet with a real risk of damage to health. It would also be detrimental to Inuit culture.

This affirmation of the continued cultural importance and nutritional value of wild food, which we call country food, was most reassuring. However, it is not sufficient to allay all the concerns that have arisen on this issue.

In addition to PCBs, DDT, chlordane and toxaphene have been found in northern wildlife, in foods which are part of the average daily food intake of northern aboriginal people—in seal, whale and in polar bear. Cadmium, mercury, lead and dioxin have been found.

The PCBs left in the equipment at the DEW Line sites are a continuing issue. Apparently, in 1985, there was a clean-up of the 21 DEW Line sites across the Canadian Arctic. We are told that subsequent testing after the clean-up in 1987 at those sites showed that residual contamination only remained at one site, Sarcpa Lake. We are told that this coming summer action will be taken to have a further clean-up of Sarcpa Lake.

The scientists say that the PCB-containing material at the DEW Line sites did not contribute to the PCB issue they are dealing with now. They say the quantities of PCBs at a number of sites across the North were isolated and small. They say that they have removed the material that was left at those sites and do not anticipate any further problems. They say also that there are no "hot spots", that the level of PCBs and pesticides across the North are relatively evenly distributed. Thus they believe that the contaminants being found are coming from sources distant from the North.

I am not convinced that these sites have all been properly cleaned up. In the Speech from the Throne the Government stated that it would further the process of cleaning up dangerous land sites. I urge the Government to pay urgent attention to the DEW Line and other waste-containing sites in the North.

The Inuit Circumpolar Conference, an international organization that represents Inuit in Alaska, Greenland, Canada and, hopefully soon, the U.S.S.R., has been working for several years toward a comprehensive Arctic policy on a wide range of issues, including the environment and transboundary pollution. It has called for a comprehensive strategy which would include the following elements. The first is that serious efforts must be made to determine the sources of the transboundary pollution, and then to prevent their entry into the global environment.

Second, there must be more in-depth scientific research into all areas of the Arctic to determine the levels of existing pollutants and to monitor them in the future.

Third, we must actively encourage Arctic and other Governments to answer co-operatively to an international convention that will deal effectively with all major aspects of the transboundary pollution.

Fourth, there must be an effective communication strategy especially to inform people at the local and regional levels on an ongoing basis. Such a strategy should be carried out sensitively so as to keep the northern peoples fully aware of the potential risks and issues related to the problem without creating an atmosphere of panic or fear.

Fifth, in carrying out any comprehensive strategy it is essential that northern people's organizations have an opportunity to participate fully on a continuing basis.

I cannot stress enough the necessity and importance of Inuit participation and involvement in ongoing research and in the development of all appropriate strategies and remedies to deal with this problem. I urge the Government not to exclude the Inuit from this problem. It is affecting us and causing extreme anxiety, particularly among young mothers and mothers-to-be who worry about their children and their children's children. We are not responsible for this problem, but we want to be part of the solution.

I would now like to touch briefly on some of the comments I made earlier today in regard to the Arctic National Wildlife Refuge in the northern Yukon and Alaska. The report entitled: "Our Common Future", the landmark report of the United Nations World Commission on Environment and Development, reaffirmed the value of aboriginal life-styles and warned of the dangers facing aboriginal cultures. The report stated:

> Tribal and indigenous cultures will need special attention as the forces of economic development disrupt their traditional lifestyles—lifestyles that can offer modern societies many lessons in the management of—resources.
>
> Some are threatened with virtual extinction by insensitive development over which they have no control. Their traditional rights should be recognized, and they should be given a decisive voice in formulating policies about resource development in their areas.

The Commission's report recognizes the need for greater local public participation and control over resources. Protection of the Arctic National Wildlife Refuge must be a priority of the Government. These lands, on Alaska's north coast, must continue to be designated as wilderness. U.S. legislators are considering proposals to open up the Arctic National Wildlife Refuge to oil and gas exploration and development.

The Governments of Canada, Yukon and the Northwest Territories are attempting to influence the decision of the U.S. Congress on the Arctic National Wildlife Refuge issue. The Governments are concerned that current proposals for oil exploration and development in the area do not adequately safeguard the calving grounds of the Porcupine caribou herd and other wildlife resources shared by Canada and the U.S. along the Canada-Alaska border. The potential harm to these

resources could have lasting detrimental effects on aboriginal peoples in the Yukon and the Northwest Territories. The area within the refuge proposed for development called the 1002 Lands contains up to 80 per cent of the calving grounds of the Porcupine caribou herd. It also includes critical habitat for the snow geese and polar bears which migrate across the Yukon–Alaska border.

• (1740)

The Northwest Territories, Yukon and Canadian Governments have co–operated in efforts to conserve and manage this herd and its calving grounds in Canada, and strongly support efforts to safeguard the herd's critical habitat in Alaska. The best way to accomplish this goal would be to designate the area as wilderness and to twin it with the protected area in northern Yukon known as the Northern Yukon National Park.

Conservation of the herd is required under the terms of an international treaty signed in July 1987 by the then U.S. Secretary of State, Donald Hodel, and Canada's then Environment Minister, Tom McMillan.

The Porcupine caribou herd is a resource shared by the people of Alaska, the Yukon and the Northwest Territories. It is one of the last great animal herds to roam North America. Its health is vital to northern aboriginal people. Access to the herd helps to sustain the self–sufficient life–style of about 7,000 aboriginal people in northern Canada and Alaska.

In Yukon, the Indian people of Old Crow are the most consistent users of the herd because of their proximity to the herd's traditional migration route. Indian people in Dawson and Mayo also harvest the herd.

In the Northwest Territories, the communities of Fort McPherson, Aklavik, Tuktoyaktuk, Arctic Red River and Inuvik use the herd. The impact of full or partial leasing of the 1002 area for development could reduce the subsistence harvest of these animals by the aboriginal people.

A U.S. Department of the Interior report expects the proposed development would bring, and I quote, "an accelerated rate of change in traditional native culture and probably some cultural disorientation." That is an understatement of the effects on aboriginal people.

Opening up the coastal plain to development would be devastating to caribou and other wildlife that share these lands and to the people who depend on this wildlife.

What would happen to the aboriginal people if the herd declined? I would like Hon. Members to hear the words of aboriginal people from the North.

Norma Kassi, member of the Yukon Legislative Assembly from Old Crow, has worked tirelessly to protect the herd and her people from the proposed development. She has stated:

> We do not need oil and gas development in the 1002 lands. We want wilderness designation for the area. We have lived here for thousands of years and we know what we need to sustain us. The caribou are our life. We must safeguard the herd forever.

A councillor from Old Crow put it this way:

> Those caribou need that country to survive. When you take away their nursery it is going to hurt them. It is like taking a troop of soldiers into a maternity ward.

When the question of what would happen to the aboriginal people if the herd declined was put to the Chairman of the Porcupine Caribou Management Board, who is also a Yukon Indian, he responded this way:

> It would ruin them. Every aspect of their lives depends on the caribou. Their economy, their life–style, even their health. If they lose the caribou, they lose everything. The caribou are the heart of their communities. People hunt caribou, eat caribou and talk caribou. Without the caribou they would be an empty people in a dead land.

The recent economic downturn in the delta has reinforced the economic and cultural importance of the herd. The peoples ties to the land are an essential part of their life–style and culture. As much as we can discuss all this, I am afraid my time has come an end. I thank you very much for having had this opportunity to speak, Mr. Speaker.

The Acting Speaker (Mr. Paproski): It being 5.45 p.m. it is my duty, pursuant to order made Tuesday, April 4, 1989, to interrupt the proceedings and put forthwith every question necessary to dispose of Interim Supply and for the passage of all stages of the Bill based thereon.

Supply

INTERIM SUPPLY

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the House do concur in Interim Supply as follows:

That a sum not exceedings $33,119,820,020.24 being composed of:

(1) nine-twelfths ($28,501,162,520.25) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1990, which were laid upon the Table Friday, April 28, 1989, except those items below:

(2) eleven-twelfths of the total of the amounts of Agriculture Items 20 and 30 and Communications Items 45 and 80 and Consumer and Corporate Affairs Item 15 and Indian Affairs and Northern Development Items 15, L20, 45 and 50 and Public Works Item 15 and Secretary of State Item 15 and Solicitor General Item 35 and Transport Items 15 and 20 and Treasury Board Items 5, 10 and 25 (Schedule A) of the said Estimates, $3,979,735,833.33; and

(3) ten-twelfths of the total of the amounts of Consumer and Corporate Affairs Item 1 and Energy, Mines and Resources Item 45 and Environment Items 1 and 20 and Governor General Item 1 and Indian Affairs and Northern Development Item 30 and Justice Item 1 and Labour Item 5 and National Health and Welfare Item 60 (Schedule B) of $638,921,666.66 be granted to Her Majesty on account of the fiscal year ending March 31, 1990.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

• (1750)

(*Division No. 9*)

YEAS

Members

Anderson
Atkinson
Beatty
Bertrand
Blais
Bourgault
Brightwell
Casey
Champagne (Champlain)
Clark (Yellowhead)
Collins
Corbeil
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Johnson
Jourdenais
Landry
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Marin
Mazankowski
McKnight
Merrithew
Moore
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Schneider
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilbee
Winegard
Andre
Attewell
Bernier
Bjornson
Bouchard (Roberval)
Boyer
Cardiff
Chadwick
Charest
Cole
Cooper
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Horner
Hughes
Jelinek
Joncas
Kempling
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
McDermid
McLean
Monteith
Nicholson
Oberle
Plamondon
Porter
Reid
Ricard
Robitaille
St-Julien
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Venne
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—125

NAYS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Berger
Blaikie
Broadbent
Callbeck
Catterall
Crawford
Dionne
Flis
Funk
Gauthier
Guarnieri
Harvard
Hopkins
Hunter
Karpoff
Anawak
Assad
Benjamin
Bevilacqua
Boudria
Butland
Campbell (South West Nova)
Comuzzi
Dingwall
Duhamel
Fulton
Gaffney
Grey (Beaver River)
Harb
Heap
Hovdebo
Kaplan
Keyes

Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lapierre
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLaren	MacLellan
MacWilliam	Maheu
Malépart	Manley
Marleau	Martin (Lasalle—Émard)
McCurdy	McGuire
McLaughlin	Milliken
Mills	Mitchell
Nunziata	Nystrom
Pagtakhan	Parker
Pickard	Proud
Prud'homme	Riis
Rocheleau	Rodriguez
Skelly (North Island—Powell River)	Stewart
Vanclief	Volpe
Walker	Wappel
Wood	Young (Gloucester)—74

• (1810

Mr. Speaker: I declare the motion carried.

Mr. de Cotret thereupon moved that Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret moved that the Bill be read the second time and referred to Committee of the Whole.

Mr. Milliken: Mr. Speaker, I rise on a point of order. Lest Members opposite think I am being persistent in my attacks on this legislation, I want to make it clear that I am.

In my submission, the procedure that has been adopted in this case is wrong, and I refer Your Honour to Section 54 of the Constitution Act, 1867 which states:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

You have made it clear, Mr. Speaker, that you are not called upon to make rulings on the law. Standing Order 79 of the rules of the House state:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address, or bill is proposed.

The words of the Act are repeated in the Standing Orders.

Standing Order 79(2) requires that the recommendation be printed in the Bill and in the notice of the resolution. I note that the resolution that we have been given notice of today and is in the Order Paper has no recommendation attached to it. I have inquired at the Table whether there is a recommendation coming in respect of this Bill, and I am advised that there is no special recommendation attached.

The Bill has in it a recital after the words "Most Gracious Sovereign". It appears that a message has been sent to the House and that accompanying the message were certain Estimates. The Bill deals in part with those Estimates and that message, and that message recommended those Estimates to the House. In so far as the Interim Supply portion of this Bill is concerned, I have no objection. There has been a message received during this Session from Her Excellency the Governor General.

However, in respect of Clause 3 of the Bill there is a request that the House confirm the payment of certain moneys out of the Consolidated Revenue Fund that were taken by the Government, by Governor General's warrants, when Parliament had been called into session and then was adjourned. We are asked today to confirm those, and there is no recommendation from Her Excellency the Governor General in respect of any of the appropriations necessitated by the Bill.

It is improper for the House to proceed with the Bill in this form. Either Clause 3 must come out, or the Bill is not in accordance with Section 54 of the Constitution Act or in accordance with Standing Order 79(1).

Mr. Lewis: Mr. Speaker, this is the third run that my hon. friend has had at this particular matter. He raised a question of privilege earlier in the month, on which Your Honour ruled and he raised a point of order earlier this morning.

The Bill was provided to my hon. friend this morning in accordance with the normal customs in order that the House would have an opportunity to review it. I submit, Mr. Speaker, that you have ruled. If my hon. friend wishes to challenge the constitutionality and the law in terms of what we are doing, this should take place in another place.

Mr. Nunziata: Nonsense. You are required to obey the law. Have you no respect for the rule of law?

Mr. Lewis: I submit that the practices we have followed are in keeping with the conventions, traditions, and the laws of this place. Had my hon. friend wished to engage in a protracted point of order, we would have done that earlier in the day.

However, my hon. friend chose this moment when, with all due respect, Mr. Speaker—and I know we have to keep the traditions—there are many people who want to make travel plans, including members of his own Party. There are times and places to do this. If we want to deal with all those niceties, we should deal with them early in the morning.

SPEAKER'S RULING

Mr. Speaker: The Hon. Member for Kingston and the Islands has been pursuing this general matter, I might say, with tenacity and with diligence.

However, in giving credit to good counsel where credit is due, each of the applications has perhaps been on the same issue, but there have been variations thereof.

I appreciate the fact that the Hon. Member for Kingston and the Islands gave some indication of what his point might be and enabled me to do some prior thinking on it. I have listened carefully to what the Hon. Member has said. The Hon. Member knows what I ruled a few days ago, and he further knows what I had to rule this afternoon.

The essential issue that he puts forward raises the question: Does a supply Bill, because it contains the warrants issued in the previous session, require a royal recommendation? That is in effect the issue. The Hon. Member has cited Section 54 of the Constitution Act, 1867 and Standing Order 79. The Chair concedes that Standing Order 79 requires that a royal recommendation be attached to any Bill or appropriation of any part of the public revenue.

On the present case in the present Bill, Clause 3 contains the amounts that were appropriated by warrants prior to April 1. They are included in the Bill by virtue of Section 30(4) of the Financial Administration Act.

• (1820)

I want to quote that Act because it is important. Subsection 4 reads, in English:

> Where a special warrant has been issued pursuant to this Section, the amounts appropriated thereby shall be deemed to be included in and not to be in addition to the amounts appropriated by the Act of Parliament enacted next thereafter for granting to Her Majesty sums of money to defray expenses of the Public Service of Canada for a fiscal year.

If there is any doubt as to what that means, it reads, in French:

[*Translation*]

> *Les montants affectés par mandat spécial sont réputés être des avances. Ils font partie des montants affectés par la première loi de crédits votée par le Parlement par la suite et ne s'y ajoutent pas.*

[*English*]

We are bound by the plain wording of the Financial Administration Act. I have to conclude that the warrants have already received Her Excellency's approval and they were tabled in the House. They are now before the House because they are required to be so by the statute to which I have just referred and not as a requirement of the Standing Orders.

I repeat to the Hon. Member for Kingston and the Islands that the point he is pursuing, as I said with tenacity and diligence, is in itself an important point. However, as I said earlier this afternoon, it is not within the prerogative of the Chair to resolve what may clearly be a legitimate grievance. It will have to be settled in some other place and in some other way.

I regret to have to inform the Hon. Member that his point of order cannot be sustained. As I said earlier today, he may have a grievance and that is a matter for the whole House to deal with.

However, I want to say to the Hon. Member that I appreciate his points. I have also appreciated his succinct and capable arguments.

* * *

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gauthier: Mr. Speaker, I rise on a point of order. We have what I think is a good practice of applying the results of previous votes. If you were to seek unanimous consent, we would accept the application of the previous recorded division to this motion.

Mr Speaker: The House has heard the suggestion. Is it agreed?

Some Hon. Members: Agreed.

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

(*Division No. 10*)

YEAS

Members

Anderson
Atkinson
Beatty
Bertrand
Blais
Bourgault
Brightwell
Casey
Champagne (Champlain)
Clark (Yellowhead)
Collins
Corbeil
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
James
Johnson
Jourdenais
Landry
Layton
Lewis
Loiselle
MacDougall (Timiskaming)
Marin
Mazankowski
McKnight
Merrithew
Moore
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Schneider
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Andre
Attewell
Bernier
Bjornson
Bouchard (Roberval)
Boyer
Cardiff
Chadwick
Charest
Cole
Cooper
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Horner
Hughes
Jelinek
Joncas
Kempling
Larrivée
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
McDermid
McLean
Monteith
Nicholson
Oberle
Plamondon
Porter
Reid
Ricard
Robitaille
St-Julien
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Venne
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—125

NAYS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Berger
Blaikie
Broadbent
Callbeck
Catterall
Crawford
Dionne
Flis
Funk
Gauthier
Guarnieri
Harvard
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
MacWilliam
Malépart
Marleau
McCurdy
McLaughlin
Mills
Nunziata
Pagtakhan
Pickard
Prud'homme
Rocheleau
Skelly (North Island—Powell River)
Vanclief
Walker
Wood
Anawak
Assad
Benjamin
Bevilacqua
Boudria
Butland
Campbell (South West Nova)
Comuzzi
Dingwall
Duhamel
Fulton
Gaffney
Grey (Beaver River)
Harb
Heap
Hovdebo
Kaplan
Keyes
Langan (Mission—Coquitlam)
Lapierre
Lee
MacLellan
Maheu
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Mitchell
Nystrom
Parker
Proud
Riis
Rodriguez
Stewart
Volpe
Wappel
Young (Gloucester)—74

Mr. Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-14, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990.

Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Clause agreed to: Yeas, 118; nays, 60.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 7 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

• (1830)

[*Translation*]

Mr. de Cotret moved that the Bill be concurred in.

[*English*]

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

[*Translation*]

Mr. Gauthier: Mr. Speaker, I think that if you asked, you would have unanimous consent to apply the result of the second recorded vote to the motion before the House.

[*English*]

Mr. Speaker: The House has heard the suggestion. Is that agreed?

Some Hon. Members: Agreed.

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

(*Division No. 11*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Bernier
Bertrand	Bjornson
Blais	Bouchard (Roberval)
Bourgault	Boyer
Brightwell	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Clark (Yellowhead)	Cole
Collins	Cooper
Corbeil	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Holtmann	Horner
Horning	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Landry	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Marin	Martin (Lincoln)
Mazankowski	McDermid
McKnight	McLean
Merrithew	Monteith
Moore	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Reid
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)

Turner (Halton—Peel)	Valcourt
Van de Walle	Venne
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—125	

NAYS

Members

Allmand	Anawak
Angus	Assad
Axworthy (Saskatoon—Clark's Crossing)	Benjamin
Berger	Bevilacqua
Blaikie	Boudria
Broadbent	Butland
Callbeck	Campbell (South West Nova)
Catterall	Comuzzi
Crawford	Dingwall
Dionne	Duhamel
Flis	Fulton
Funk	Gaffney
Gauthier	Grey (Beaver River)
Guarnieri	Harb
Harvard	Heap
Hopkins	Hovdebo
Hunter	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lapierre
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLaren	MacLellan
MacWilliam	Maheu
Malépart	Manley
Marleau	Martin (Lasalle—Émard)
McCurdy	McGuire
McLaughlin	Milliken
Mills	Mitchell
Nunziata	Nystrom
Pagtakhan	Parker
Pickard	Proud
Prud'homme	Riis
Rocheleau	Rodriguez
Skelly (North Island—Powell River)	Stewart
Vanclief	Volpe
Walker	Wappel
Wood	Young (Gloucester)—74

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: It being 6.32 p.m. this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Friday, May 5, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 8L—SOCIAL PROGRAMS—CLAW-BACK PROVISION

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

That, in the opinion of this House, the claw-back proposed by the Minister of Finance with regard to the Old Age Security pensions and Family Allowances (1) undermine all Canadian social programs; (2) make easier future incursions against Old Age Security pensions and Family Allowances as well as other social programs, including medicare; (3) will fall most severely on Canadians of moderate means while costing the wealthy little; and

That this House, therefore, condemn the Government for this attempt to violate this sacred trust.

He said: Mr. Speaker, I rise today in opposition to the items contained in the recent Budget of the Minister of Finance (Mr. Wilson) as it affects some of the most important social programs in Canada. There has been a long and indeed important history associated with the social programs which have developed over the years in this great country. Successive Governments have tried to deal with those particular programs and where they could, they embellished upon them, and in doing so, they have brought many benefits to Canadians, Canadians in every region, Canadians in every community, rich and poor, young and old alike.

The social programs of the Old Age Security and family allowance are an integral part of Canadian life. To suggest that they are merely social programs providing a benefit to a select few is really missing the point in its entirety. A policy of good social programs such as I have referred to is also good economic policy. There are countless Canadians who have young families and there are countless senior citizens who look forward on a regular basis to receiving the generosity of the Government of Canada.

I have said in many quarters, and indeed, during the most recent federal election campaign, that for many senior citizens, their Old Age Security cheques provide the only sense of dignity they have. There are women, men and couples who have relatively limited income, but the Old Age Security in itself allows them to exercise their wishes and to live in dignity.

What is dignity? Dignity to a woman of 67 years of age may in point of fact mean receiving her Old Age Security cheque and thereafter purchasing items for family members. It may mean a trip to another part of the country to see a loved one. It may also mean paying for a telephone call to someone somewhere else in Canada.

That is the significance of that program which touches many Canadians, but this particular Budget proposes that high income taxpayers repay Old Age Security pensions and family allowance benefits through the tax system at a rate of 15 per cent of individual net income exceeding $50,000. The universal nature of these programs with respect to access has therefore been maintained as high income earners will continue to receive old age security and family allowance cheques. However, universality of these benefits with respect to quality of benefit has been altered. The level of benefit received by families and individuals will no longer be equal, but will be dependent upon the level of income above an established threshold.

• (1010)

These measures in the Budget violate a long held principle in tax policy known as horizontal equity. This principle dictates that individuals are treated equally by the tax system. Individuals at the same level of income should pay the same amount of tax provided all other circumstances are equal.

This Budget will treat old age security pension income differently than other forms of income, and tax it back from high income tax payers at a higher marginal rate than applies to other forms of income. For example, a senior citizen earning $75,000 a year will pay more taxes than an individual at 64 at the same income level because the former old age security benefits will be subject to a higher tax rate. At this level of income that portion of the senior citizen's income comprised of old age security will be subject to a marginal tax of about 100 per cent,

while the income of a non senior will be taxed at the top rate of 29 per cent.

Where is the fairness? Where is the equity? My view of universality has traditionally supported the concept of equal access to equal benefits across income levels. This concept of universality was integrated with that of a progressive tax system. Successive Liberal Governments strove to increase the level of progressivity in the tax system. The tax system was a corrective, progressive mechanism to assist in a fair distribution of benefits. Every individual within a defined client group received the same benefit regardless of income. At the same time, the tax system introduced the element of fairness by ensuring that high income Canadians pay higher marginal tax rates. Granted, a perfect degree of progressivity was not attained. Yet the tax system under Liberal Governments provided, in my view, a more equitable and fair range of marginal tax rates. Prior to tax reform, the upper marginal tax rate was 34 per cent, exclusive of surtaxes. The Conservatives have now reduced this rate to 29 per cent, exclusive of surtaxes. This move has resulted in lower overall tax rates for upper income Canadians.

Figures from the National Council of Welfare showing the percentage of changes between 1984 and 1991 in total federal and provincial income taxes paid by a dual-income family of four at three different levels of income illustrates this fact very clearly. Income taxes for the working poor in middle income families will increase in this country by 60.2 per cent and 17.4 per cent respectfully between 1984 and 1991. However, families in the upper income range will pay 6.4 per cent less in income taxes over the same period.

The Conservative assault on the old age security and family allowance programs has three distinct components, all of which represent regressive departures from traditional equitable policies. For the first time, the tax back rate of universal programs is linked directly to the benefit received. The tax back rate was previously determined by utilizing progressive marginal tax rates which are impartial as to the sources of income. On its own this linkage between benefit and tax back rate renders universality a sham. The measure is doubly insidious coupled with the regressive tax measures instituted by this Government. As noted above, tax reform has benefited the rich, and further changes to the child benefits package has significantly eroded the principle of horizontal tax equity. The poor and the middle class are paying a substantially higher rate of tax today than they were in 1984.

A one income family with two children in this country earning a poverty line income of $23,639 will have to pay an increase as a result of this Budget of $324. That is a cumulative effect since 1984 of 60.2 per cent. For a one income family with two children earning $45,422, the percentage increase since 1984 has been 29.3 per cent, whereas for upper income Canadians earning $100,000 with one income and two children, the increase will be roughly between 6 and 7.7 per cent. That is a shame. There is no fairness in this. It is just a further enhancement of the Tory ideology which is to help their rich friends and corporate friends at the expense of poor and middle income Canadians.

What about two income families with two children, where both the husband and wife are working? For those who are at the poverty level, which is roughly around $23,639, and I have quite a few of them in my constituency, as I am sure other Members do as well, this Budget will provide an increase in taxes of roughly $341. What does it mean in terms of the cumulative effect since 1984 on these individuals? It means a tax increase of 176 per cent, whereas for an upper income Canadian earning 100,000, the increase this year will be $1,429. Since 1984, the increase in percentage, as related to the poverty situation that I have just mentioned, is a mere increase of 10.9 per cent. In that there is not very much equity, not very much fairness.

Mr. Wappel: That is Tory equity.

Mr. Dingwall: That is right, it is Tory equity.

Finally, the Government has embarked on a slippery slope. By varying the level of benefit from universal programs relative to income, the thresholds for the reduction of benefits under both the old age security and family allowance is to be $50,000 of net individual income. However, this threshold is only partially indexed. The Government has indicated that the threshold will be reviewed—and this is key—periodically and adjusted as appropriate. This is a signal they are sending to Canadians that next year, six months from now or 18

months from now that that threshold could very well be reduced if they wished to take additional forms of income from poor and middle income Canadians. We know the track record. It is evident there for all to see. This means that as the Government looks for additional income or additional savings next year, the threshold could be dropped to $40,000 of net individual income, thereby capturing the family allowance benefits of an additional 530,000 families. Once the precedent is set, I suggest that the desire to achieve greater savings may prove irresistible to a hungry Government looking for new cash.

• (1020)

In any event, the lack of full indexing of this threshold will ensure that those earning $40,000 net individual income today will begin losing their family allowance benefits in eight years' time.

The assault also goes on to other programs other than old age security and family allowance. On December 9, 1983 in the House the Right Hon. Prime Minister (Mr. Mulroney) stated:

> Genuine co-operative federalism requires a spirit of generosity. There must be certain things that are above politics—there are certain things in Canada which must be safeguarded against any partisan attack—Medicare has to be one of them at all times.

Let us look at the record. From 1984 to 1989 we know what has happened. Unilaterally the Minister of Finance reduced expenditures and income transfers to the provinces substantially so that smaller provinces are feeling the heat and have stated so publicly. In his Budget papers he is going to give a further reduction of 1 per cent. As a result of the 1986 unilateral cut-backs and the Budget measures of 1989, the cumulative effect of those reductions will mean that Prince Edward Island will receive $7 million less, Newfoundland will receive $34 million less, New Brunswick will receive $43 million and $53 million less. That is for 1989-90 fiscal year.

The Minister of Finance would attempt to have us believe that with that reduction of 1 per cent we are still giving additional income to the provinces. Has the Minister of Finance from Nova Scotia said anything about these cut-backs and how it will affect his province? Has the Premier of Nova Scotia? Have other provincial Ministers said what these cut-backs will mean? These provinces will lose this cash in fiscal year 1989-90.

The Minister states that we have just reduced a little bit of the growth, by 1 percentage point. One percentage point to the people of Nova Scotia or Newfoundland, or poorer provinces such as that, is an astronomical amount. It is no joking matter. It is not a game of theoretical arithmetic for Ministers of Finance to engage in. Those provinces were planning to have this money in 1989-90 in order to meet their economic commitments. By reducing that amount of money to the provinces, it will mean difficult decisions for provincial Governments to make. For example, it will mean such things as reductions in the number of people who work in our hospitals, whether it be nurses who care for the sick, orderlies who look after the infirm, or whether it be maintenance personnel. Their budget is shrinking, and the provinces will have to shoulder that burden.

Mr. Crosbie: That's totally wrong.

Mr. Dingwall: Members opposite do not wish to hear the facts, but those are the facts. So much for the generosity of the Prime Minister when it comes to co-operative federalism. He talks about $25 billion over "x" number of years. However, he does not talk about the reductions and how that will affect the lives of Canadians in different regions and communities. Somehow we are supposed to accept holus-bolus that things are okay, people will proceed, and life will go on as normal. However, when provinces that administer many of these programs are going to be short with regard to that financial assistance, I suggest very carefully and very sincerely that that will mean grave and serious consequences for them.

As the former Prime Minister, the former Right Hon. Pierre Trudeau said on that occasion:

> It is a matter of Tory mentality, not a matter of dollars and cents. Let me tell all those Canadians out there who think it is time for a change that if they elect a Tory Party they better not be sick.

How true he was.

As a Government we protected those social programs. Successive Liberal Governments have protected those programs. That crowd over there, Mr. Speaker, wish to be tough in economic matters, but the Minister of Finance is really tough. He is such a tough guy that he taxes children. He is even tougher than most Canadians. He has terminated the child care program in terms of additional income for child care spaces. He is the guy

who has increased taxes since 1984, which has had a devastating effect on the poor and middle-income Canadians in this country, as I alluded to earlier.

I suggest that with the combination of these tax measures and cuts, and the obvious attempt to erode the principal of universality with regard to old age security and family allowance, the shortfall with regard to EPF funding and what it will mean for our provinces, it is a bad sign and a bad signal for Canadians coast-to-coast. Whether one lives in Nova Scotia, Manitoba, the North, Québec, or Ontario, from previous Governments we have come to expect a sense of equality, a sense of fairness. However, since 1984 coupled with Budget measures repeatedly, and now the most recent Budget of 1989, Canadians have come to learn to expect that there is no friendly hand with the Government of Brian Mulroney.

Mr. Deputy Speaker: On questions or comments, the Hon. Member for Winnipeg St. James.

Mr. Harvard: I want to thank my hon. friend for presenting to us some very thoughtful remarks. It would be my hope that every Canadian could read his remarks because he has made some very salient points. The claw-back by the Conservative Government is an effort to make an end run around universality. We all know if this claw-back provision in the Budget goes through, it will be the end of universality as we know it in this country. It will be the resumption of the ugly means test, only being done in a different manner.

Under this provision if old age pension can be taken away at an income level of $70,000 today, it can be taken away at $60,000 tomorrow, and $50,000 the week after. The Government will not stop at family allowances or old age pensions, it will get into medicare, and into every single social program in this country.

Let me remind Members opposite how ugly the means test can be. I recall when I was young my mother telling me about what went on during the Dirty Thirties on the prairies. I recall it very well. Farmers would go to the municipal office only after they had reached the absolute bottom of despair and they would ask for perhaps a bag of flour. An ugly part of the means test is that they would perhaps get a bag of flour, but their names would be put on a list in the front window of the municipal office. That is what is ugly about the means test. I am getting to the question—

• (1030)

Mr. Deputy Speaker: I would ask the Member to do it now.

Mr. Harvard: I believe that the claw-back provision will prompt Canadians who do not share in a program like this to resent a social benefit of this kind. They will come to resent it. Does the Member not believe that programs like family allowance and old age pension would come to be resented as a result of the claw-back provision?

Mr. Dingwall: Mr. Speaker, my colleague's comment is very astute. He clearly spells out a concern that many Canadians have about the direction in which the country is going with regard to social programs. We have seen a number of government programs and its attempt to deindex, a subject which my colleague will address later in his remarks.

There is a great deal of concern, not only by provincial Governments but by individual Canadians and organizations, about the erosion of universality which began as recently as 1984 and has been coupled with successive tax measures brought in by the Government and the most recent Budget of the Minister of Finance (Mr. Wilson). When you take the cumulative effect, in essence one must conclude that there has been a major assault against the principle of universality which will cause havoc, concern and a great deal of anguish by many Canadians who are presently receiving benefits and hope to receive benefits in the years to come.

Mr. Crosbie: Mr. Speaker, I want to ask the Hon. Member whether he is familiar with the views of his Party's finance critic who suggested, as a matter of fact on March 21, that the federal deficit be reduced by taxing back all of the family allowance and old age security payments from those who do not need them. This is the Party's official spokesman on matters of finance, speaking for the Party, speaking for the Leader presumably, and speaking for the caucus. I quote from the *Ottawa Citizen* on March 21. He said:

> But MacLaren said drastic action is needed to cut the federal deficit, possibly both tax increases and spending cuts. And the money saved by taxing back social program payments from those that don't need them could be used to reduce the deficit and help those in need, he said.
>
> MacLaren said he also supports the need for a new broadly based national sales tax on goods and services to replace the current narrowly based federal sales tax on manufacturers which he agreed is badly flawed.

This is all Liberal policy. It has been pronounced by the Liberal finance critic, the Member for Etobicoke North (Mr. MacLaren). The article goes on to say:

> On the $29-billion-a-year deficit, MacLaren said that unless the government takes "severe remedial action in this coming budget", the deficit will rise.
>
> "It seems to me vitally important that we ensure that under any cost-cutting program that those who are really needy—not only receive what they are receiving now but receive more because there are pockets of real need in this country".
>
> Programs such as family allowances and old age security should be available to those in need, he said.
>
> "Perhaps the most effective way of ensuring that Canadians in need receive adequate amounts of support is—for those who don't require such support—tax it back", he said.

Who speaks for the Liberal Party, the finance critic or some other person who gets up and spiels off a lot of specious nonsense as the hon. gentleman did today? Who speaks for the Liberal Party? Does anyone speak for it, do 100 people speak for it? Will 100 flowers flourish? When will you get your act together? How can Canadians trust you for one second when they do not know from one minute to the next who is going to say what or who speaks for the Party? Was your finance critic right when he said that every sparrow that falls is going to be blamed on the Canada-U.S. Free Trade Agreement? Who speaks for the Party?

Mr. Dingwall: Mr. Speaker, it is always entertaining to hear from the Hon. Member from Newfoundland. He has adopted the old trick in this House that government Members have used since 1984. When they fall into difficulty with their budgetary measures, as the Minister did in 1979 with a very regressive tax—the 18 cent man—what do they do? The Hon. Member for St. John's West (Mr Crosbie) gets up and hollers, screeches and makes no sense whatsoever.

The Hon. Member refers to an article. He knows that my colleague was being asked about a number of possibilities which the Government might implement. He explained those possibilities. It is the Government which must bear responsibility and must shoulder the burden of singling out the poor and middle-income Canadians for its assault in order to improve its treasury bonds. It is members of the Government who must shoulder that burden, not those of us in the Opposition. They have a mandate and they should respond to the Canadian people with fairness and with dignity.

Mr. Hovdebo: Mr. Speaker, I think we all agree to a great extent with the comments of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). However, will he explain the difference between the freeze imposed by the Liberal Government in the early 1980s with its six and five program, and the deindexing that is being done by the Government at this time?

Mr. Dingwall: Mr. Speaker, I thought the Hon. Member was here when those particular measures were introduced and debated very forcefully and enthusiastically at the time. He certainly knew that as a result of world-wide recession, which had great impact on the Canadian economy, different measures had to be taken.

I suggest to the Hon. Member that the six and five program to which he refers was one of limited duration, and not a program that would go on forever as a result of the particular tax measures the Minister of Finance (Mr. Wilson) has introduced, not only in this Budget but indeed in previous Budgets. That is the distinction the Hon. Member ought to be cognizant of.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, two days ago the Leader of the Opposition (Mr. Turner) spoke in moving terms about what the House of Commons could be at its best. He said:

> This is and remains the forum of the nation. This is the highest court in the land. This is the place where finally issues must be decided.

He continued by expressing his concern that we must act to make Parliament relevant as a place where the vital issues facing Canada can be decided. All of us who love this institution share his belief of what the House of Commons can be and his sense of what it all too frequently has become.

My fear is that growing numbers of Canadians find not only Parliament but political debate itself hollow and irrelevant. Our political Parties should be offering our citizens competing visions of Canada. Instead, sadly, partisanship too frequently displaces policy, and posturing substitutes for principle.

The motion proposed by the Liberal Party today does not advance the quality of our political debate. Instead, it debases our discussions by misrepresenting the Government's policies without offering Canadians an alternative economic course to follow.

Over the past few weeks we have heard Member after Member on the opposition side condemn the Government for its alleged failure to control the national debt. The Liberal Party finance critic stated:

> In every Budget in every year since this Government came to power in 1984, the Minister of Finance has denounced the deficit. We have heard him promise repeatedly to do something about it. In each of those years the Government has failed utterly to do what it said it would do.

The Leader of the Opposition said:

> Business people and financiers everywhere in the world realize that the Canadian deficit and debt are totally out of control.

It is gratifying that at least on one point the Opposition agrees with us, but the issue is not whether Members are willing to admit that the national debt is too large. The real issue is whether they have the desire and the courage to deal with it.

If Canadians had listened closely to what has been said on the opposition side of the House over the course of the past eight days, they could have been forgiven for concluding that Members opposite believe either that the debt burden is not a grave issue or can be solved without sacrifice. The day has passed when we can simply pile deficit upon deficit without worrying about the future. Canadians know that fact, even if sometimes the politicians refuse to acknowledge it. Every home-maker, every small businessman, every farmer recognizes that one cannot go on spending more money than one is bringing in without very serious consequences.

• (1040)

The exact same principles apply to Government as apply to our homes, to our businesses and to our farms. Governments can no more repeal the laws of economics than they can repeal the law of gravity. The simple fact is that each and every Canadian has a debt in Ottawa of more than $12,300. The debt for each person in Canada is $3 larger today than it was at this time yesterday. It will be at least $3 more tomorrow. Our national debt is increasing by $80 million a day.

[*Translation*]

The result is that this year, we will be spending more on interest payments than on the aggregate of what we spend on health care, family allowance payments, old age security and welfare. Last year, our interest payments represented 31 cents of every dollar obtained from Canadian taxpayers. This year, it will be 35 cents. Unless we do what has to be done immediately, it will be worse next year and the year after, and so forth.

[*English*]

We are not talking about an abstract concept. The debt is a very real issue and it affects each and every Canadian. How we deal with it not just as a Government but as a society will determine the quality of Canadian life in the years to come. Unless we are prepared to act today the very survival of the programs which the Opposition professs to defend is in danger.

This Budget represents the recognition by the Minister of Finance that the time for simply talking about the debt is passed. In finally coming to terms with the legacy of past irresponsibility there are three key principles by which we should test all of our proposals for action.

First, our most important goal must be to ensure the survival of those social programs which help to define ourselves as Canadians. We cannot do the job alone. Our rising debt is a shared problem, a national problem. Only through a common national effort can we deal with it successfully.

Second, in waging our battle we must ensure that those of us who can afford to carry the heavier burden are the ones who are asked to do so.

Third, we must ensure that the poorest and the weakest remain fully protected.

How do these principles apply in the current Budget? Let us look at two examples. The first is the implementation of changes to family allowances and old age security. The Opposition has claimed falsely that increasing the taxes on high-income recipients of family allowance and old age security is raising money on the backs of the needy. How can this be when only the wealthiest recipients are affected? Some 96 per cent of seniors will not be touched by new taxes on old age security. Only the two per cent of seniors who receive more than $76,000 a year will be asked to repay all of the old age security payments. Similarly, the facts show that 86 per cent of Canadian families will remain completely unaffected by the change in family allowances. Those who need the assistance will continue to get it. Those who do not need it will be asked to contribute more to help to restore our economic health.

My second example is child care which was referred to buy the spokesman for the Liberal Party. I have heard allegations that it is the children who will pay for this Budget. In fact, it is the children who will pay if we do not support this Budget, if we allow the debt to grow. Every dollar that is added to our national debt is a dollar that is stolen from our children. We believe that our

children are our most important resource. This Government remains committed to child care.

We are also acutely conscious of the needs of lower income families. For this reason we are proceeding with the tax measures affecting children which amount to $2.3 billion, 90 per cent of which is aimed at low and modest income Canadians. Nearly one and a half million families will be helped with the cost of caring for their children.

We are also maintaining the $100 million child care initiatives fund which provides assistance to innovative programs for child care.

Again, the $200 million which we spent last year under CAP, Canada Assistance Plan, and the increase of a further 20 per cent in funding this year, are directed to Canadians in need, once again demonstrating our commitment both to child care and to ensuring that those least able to pay receive the most assistance from the Government.

[*Translation*]

The debt level is so high that we had to make a difficult decision, namely to proceed more slowly with implementation of a third measure that had been approved, which was to increase without delay the number of spaces in this country's daycare centres.

We have not reneged on our commitment to daycare, certainly not. By the end of our mandate, we will have done what is necessary to attain all our objectives in this area.

[*English*]

That was a commitment that was repeated today by the Prime Minister (Mr. Mulroney) on nation-wide TV.

Let me take a moment to comment specifically on today's motion by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). The motion states that this Budget undermines all Canadian social programs. It is difficult to understand precisely what is meant by the statement. In the time allotted for questions and comments, if the Hon. Member has the opportunity, he will clarify these claims for the House.

It would appear that the Opposition believes that targeting social programs to provide the most support to those who need the most will undermine both the concept of the program and public approval. Indeed, that was exactly the claim that was made by the Hon. Member from Winnipeg when he spoke earlier. Such an assertion is absurd. It implies that if we focus social programs on those who need them, Canadians who do not receive them will withdraw their approval.

There are at least two examples which Canadians support right now which dispute this theory. The Guaranteed Income Supplement and the child tax credit are both programs designed to help lower income Canadians. Both are supported strongly by all Canadians, not just by those who receive the cheques, and Members opposite suggest that these programs be changed to deliver equal benefits to wealthy Canadians.

I invite Members of the House, and I invite Canadians, to review the comments that were made by the Hon. Member from Winnipeg who said that if we focus benefits it is inherently unfair. What would he do with the Guaranteed Income Supplement? What would he do with the child tax credit? What is the position of the New Democratic Party when it comes to providing assistance most to those people who are most in need? That is the position, Mr. Speaker, of the Members opposite when it comes to asking those who can afford to pay to carry the higher share of the burden.

What we have is two Parties locked in the past incapable of recognizing the new realities of 1989, unwilling to be candid with Canadians about their proposals to deal with this national debt burden, prepared to continue to run up deficit after deficit, to pile the burden of debt upon young Canadians which will make it impossible for them in the future to get ahead.

Some Hon. Members: Hear, hear!

Mr. Beatty: We have heard, Mr. Speaker, in Question Period and in debate in the House of Commons in the past week a great deal about compassion. We have heard about fairness. We have heard about concern. Where is the compassion opposite for young Canadians who are being asked to shoulder the debt burden which is being run up by irresponsible Governments and by politicians who refuse to accept that benefits paid must be covered in taxes?

Where is the concern for Canada's future when they propose that we simply continue on the same ruinous course year after year without ever reviewing what consequences that will have for Canada? Where is the fairness when they say, go ahead, continue to spend, allow that debt burden to grow, allow an ever-increasing share of the national Budget to be going just for the interest charges on the national debt, to the point where it threatens the very existence of the social programs which they claim to support?

• (1050)

Where is the compassion, the fairness and the concern for Canada when that is the policy that it follows? Where is the honesty that Canadians have a right to expect from Members on all sides of the House?

Mr. Wappel: How many deceits did you carry out on Canadians?

Mr. Beatty: It is not enough to talk about the national debt. It is time for Canadians in this House of Commons, on both sides, to be honest about what, if anything, they would do about it. Canadians are more sophisticated than Members opposite give them credit for. Canadians understand that you cannot simply attack every measure to reduce that debt burden, and at the same time get up, as all of them have done, to say day after day in the House of Commons that the debt be increased, and also at the same time get up, as all of them have done, to say that not enough is being done about the national debt.

Canadians are simply smarter than that. They will not be conned.

When the Opposition suggests that targeting programs to those people who need them the most will cause Canadians to withdraw their support from social programs, they put forward a view of Canadians as mean-spirited and unconcerned about the people who are most in need. It is a view that is both false and unfair to ordinary Canadians. Anyone who knows the history of this country, any of us who represent Canadians in this House of Commons, must surely by now recognize the fact that if there is one characteristic that runs throughout Canadian history it is that of generosity on the part of Canadians and a concern for people who are most in need. A suggestion by Members opposite who claim to be concerned about the poor or claim to be concerned about the elderly, that giving most assistance to those people most in need will somehow cause Canadians to be mean-spirited, is a distortion of the facts and it is unfair to every Canadian.

I invite Canadians who are watching this debate on television or watching from the galleries as well as members of the press to watch what is done by Members opposite over the course of today. What is the position being taken by members of the Opposition? Their position is that we should be paying equal benefits and that equal benefits should be obtained by those people who are wealthiest in our society. The Party that once spoke for ordinary Canadians, that once professed to be concerned about the people most in need, the New Democratic Party, now speaks for the wealthy. New Democrats are saying their concern is that benefits will be taxed back from those who can most afford to pay.

In a recent poll, which I have in my hand here, some 63 per cent of respondents supported the Government's move to tax back family allowances and old age security at a higher rate from the income of high income recipients. That is a margin of two to one in support of the Government's proposals.

Ms. Hunter: How much did the poll cost?

Mr. Beatty: Are these people mean-spirited? Is there something they don't know that members of the Opposition do know? Is there something that is represented in this view that is cruel or unconcerned for the poor wealthy people who will have their benefits taxed back?

The second part of the motion we are debating here today says that the Budget will make easier further incursions against old age security pensions and family allowances, as well as other social programs, including medicare. I hear in this motion disturbing echoes of last year's campaign to frighten the elderly, the sick and the poor by false claims that their well-being would be affected if the Free Trade Agreement were implemented.

Today the argument is different, but the goal of the Opposition is the same, to create fear among the people least able to defend themselves. Any claim that asking wealthier Canadians to carry a larger share of the tax burden paves the way for an attack on medicare is both false and deeply unfair to the sick and to the elderly. It is an invention by the Opposition. It is a claim that was

specifically repudiated by the Minister of Finance (Mr. Wilson) as recently as yesterday, and it is a tactic which debases the quality of our public debate.

Far from seeking to undermine the social safety net, we are trying to make sure that our programs for seniors and families and our other policies to meet social needs, including health care, continue to exist, not just today but for the future.

The third point in today's motion states that the effect of the Budget:

> —will fall most severely on Canadians of moderate means while costing the wealthy little.

Quite frankly, I do not understand the point the Opposition is trying to make. It is beyond me how the Opposition can argue that a recovery payment that affects only 4 per cent of seniors with incomes over $50,000 or 14 per cent of higher income families is coming at the expense of Canadians of moderate means while costing the wealthy little. If the opposition Members had read the details of the Budget they would know that this statement is groundless.

There has been a great deal of comment from the Opposition that the Government is abandoning the concept of universality. I find the horror that this raises in the hearts of the Liberal Opposition intriguing given the comments of their finance critic and of their Party president.

[*Translation*]

Mr. Speaker, not I, nor the Minister of Finance nor the Prime Minister but the President of the Liberal Party of Canada, Michel Robert, said that universality was obsolete, according to the newspaper *La Presse* of April 16, 1989, and I quote:

> We had a debate on universality, he added, but we did not ask ourselves whether the debate itself was still timely. As I see it, there is no longer a case for universality. We do not have enough resources. Since the need has become far greater among the poorest in Canada, we must consider reallocating our resources to be able to offer genuine assistance to those who need it most.

[*English*]

It was the Liberal finance critic, not the Minister of Finance on this side, who said:

> For my part, I continue to wonder whether family allowances and possibly old age pensions need be universal, especially now that our federal deficits have mounted so markedly—

As the Minister of Finance says, "It's in his book." He is right. I am one of the few Canadians who has actually bought the book. I would advise Canadians, particularly Members opposite as they participate in this debate, to take a look at what the official spokesperson for the official Opposition has said.

This is a uniquely Liberal point of view and it is not reflected in the action taken by the Government in the Budget proposal. The Macdonald Royal Commission defined universal programs as:

> —those which distribute the same level of gross benefits to all persons with specified traits, irrespective of their incomes. In Canada, all such 'universal' programs define their benefits as taxable income.

By that definition, and all others who have cared to examine the matter closely, universality has not disappeared from Canada. Seniors and families will still receive their monthly cheques, but they will do so without the imposition of a degrading means test. Cashing their cheques will have no stigma attached. Our intention is to make sure that every Canadian has these benefits delivered to him or to her without obstacle and without limitation.

When the Member for Winnipeg gets up and says there is a means test if Canadians are asked to fill out their income tax returns each year, he shows an appalling ignorance of what a means test is. What would he propose when we are filling out our income tax returns? That we do not disclose our income? Since when has the income tax become a means test? It is like *Alice in Wonderland*, with words now being given meanings which they never had before.

Let me conclude in this way. I spoke earlier about the speech made by the Leader of the Opposition (Mr. Turner) the day before yesterday in which he described this House as the place where issues finally must be decided. I agree that that is what Parliament should be and what it is at its best. When the great issues of the day are debated no one should be surprised that there are disagreements and often heated debate.

No individual and no one Party has a monopoly on truth. Debate about the direction in which we should be going is healthy and necessary, but not the sort of debate which we have been seeing over he past week. Canadians who have watched the House of Commons over the past seven days know that something must be done to bring the national debt under control and they know precisely how this Government proposes to do it. They have also heard the Opposition reject every measure which we have put forward to deal with the problem. They have heard Members opposite universally condemn the Government for not doing enough about the national debt, while at the very same time attacking every cut in

spending and every new tax measure which we have proposed.

This is a time for candour and honesty. As we proceed with debate on the Budget, each speech should be judged by whether it offers only hollow, partisan criticism or realistic and honest alternatives on how best to deal with these very real problems.

Mr. Deputy Speaker: It being 11 o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

• (1100)

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EAST–WEST RELATIONS

DISMANTLING OF PORTION OF IRON CURTAIN

Mr. Tom Wappel (Scarborough West): Mr. Speaker, on Tuesday May 2, the world was pleased to see a small part of the Iron Curtain being dismantled. For decades, 240 kilometres of barbed wire fence has stood on the Hungarian–Austrian border but, by order of the Government of Hungary, it is now being removed.

This is a clear indication that East–West relationships are improving and that cold war ideologies are no longer the doctrine of the day. In the past year we have seen *glasnost perestroika*, the INF treaty and conventional arms reductions in Europe, all symbols of hope and peace.

Although 240 kilometres is but a small portion of the Iron Curtain, it is, hopefully, just the first step toward open and unguarded geopolitical boarders between citizens of the globe.

* * *

THE ENVIRONMENT

ACID RAIN CONTROL

Mr. Ross Stevenson (Durham): Mr. Speaker, the Prime Minister (Mr. Mulroney) continues to emphasize to President Bush the critical importance of the Canada–U.S. agreement to control acid rain.

From his first visit to Washington, the Prime Minister has taken bold initiatives toward a mutual agreement for the reduction of acid gas emissions.

As a former university professor who has been involved in environmental issues and research for more than 20 years, I have witnessed the tremendous scientific progress here in Canada. I join with other Canadians in applauding the continuing efforts of the Prime Minister and other Canadian representatives in Washington.

I know they will continue to take every opportunity to advance Canada's position on acid rain. This is an issue on which our desires must and will prevail.

* * *

TRADE

FUR INDUSTRY,—REPLACEMENT OF LEG–HOLD TRAPS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, in a recent development, the European Commission of the European Economic Parliament has proposed a ban to import fur and fur products from countries which are using the leg–hold trap. They propose this ban by 1996. This is a move which must be taken very seriously.

The $600 million a year fur industry employs 105,000 Canadians. There are 1,000 trappers in my riding of the Yukon. In fact, over 70 per cent of our furs are exported to the European community. What is necessary now is an immediate commitment on the part of the Government to assist in increased trap research, trapper training and public education, and a shared federal–provincial territorial trap replacement program.

The fur industry is a vital part of our economy and one which, I might add, depends upon the preservation of the environment rather than its destruction.

I call on the Government to make a strong commitment to help this industry.

* * *

[*Translation*]

SPORTS GREATS

HOMAGE TO LÉANDRE COUTURE

Mr. Jean–Guy Guilbault (Drummond): Mr. Speaker, last Saturday evening in Drummondville, Mr. Léandre Couture was honoured as the sports celebrity of 1989, an award he shares with Rosaire Smith, Harry Howorth, Olivier Carignan, Laurent Sawyer, Guy Bissonnette,

Robert (Bob) Pépin, Marcel Larocque, Félicien (Fred) Bourbeau, Yves Tessier and Claude Béland.

He was raised in a family that was involved in sports, and his achievements in baseball, la crosse and hockey during the years 1935–55, were known, both locally and throughout the province.

He always had time for others. His dedication to sports and his community involvement were legendary. He later became a referee, president of the OTJ, coach, co–founder of the Hériot Golf Club, director, manager, advertising manager and finally governor of the Junior Drummondville Rangers, and players like Marcel Dionne, Yvon Lambert and many others have him to thank for their careers.

Maurice Fillion, who worked for him, starting as an instructor, was there to pay tribute to Mr. Couture.

Married to Marcelle Mercure, he was an officer in the Canadian Army and served his country as so many thousands did in 1941. Subsequently, he became officer in command of the Military College and was a member of the Canadian Legion.

Mr. and Mrs. Couture certainly deserve all the congratulations they are receiving, and we want to take this opportunity to thank them for everything they have done.

* * *

[*English*]

NATIONAL DEFENCE

CLOSURE OF MILITARY BASES

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Mulroney Government's crushing decision to close or cut back 14 military bases across Canada to save $585 million has caused enormous distress in Canada's regional economies, some of which are dependent on the activities which will now be transferred to other bases. In my Toronto riding, Canada's largest military base may well increase as a result.

It seems that no thought was given by the Government to alternatives which would have spared the regions this devastating cut. I propose to the Government that instead of its present plan, it close the base at Downsview. Essential strategic operations could be continued on less than 5 per cent of the land presently used, and other activities could easily be moved to Camp Borden, 45 miles away.

The Government could earn as much as $750 million from the sale of the over 650 acres of land which are badly needed for residential development. Under the Province of Ontario guidelines there would be 25 per cent affordable housing. The urbanization of the base would create thousands of homes, parks and amenities and an economic boom for Toronto, rather than the disaster the Government's present plan delivers to places like Summerside.

To take that example, the closure of CFB Summerside represents a 4.5 per cent total job loss for the Province of Prince Edward Island and the devastation of the economy of that part of the Island.

* * *

HEALTH

MENTAL HEALTH WEEK

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, May 1 to May 7 is Mental Health Week in Canada and I would like to take this opportunity to commend the men and women of the Canadian Mental Health Association for their efforts to increase public awareness on the issues of mental illness and mental health.

Established in 1918, this association is one of the oldest voluntary organizations in the country. Today the Canadian Mental Health Association has grown to include over 30,000 volunteers with 250 permanent staff in its 190 local branches, 12 provincial and territorial divisions and the national office.

Most recently, the CMHA has been collaborating with the federal Department of Health and Welfare to develop and promote a strategy to bring a message on mental health to the Canadian people.

I know all Members of this House will join me in congratulating both the Canadian Mental Health Association and the Minister of Health and Welfare for their continuing commitment to the betterment of all Canadians.

* * *

HOUSING

CUTS IN SOCIAL HOUSING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, Members of the House of Commons should be made aware of the crisis that now surrounds affordable social housing in Canada as the result of the federal Budget.

Last week saw the outright termination of the rental RRAP program for upgrading housing for low–income

Canadians. Today we have the devastating cut in co-operative housing units.

Last year only 60 per cent of the promised 5,000 units were reached. This year it will be just 1,708 units or 34 per cent of the promise. This cut also means that the co-operative housing and rental RRAP organizations which provide valuable resources to individual co-ops and rental organizations will be permanently crippled.

I know the Minister is now having emergency meetings with groups such as the Co-operative Housing Foundation and the Canadian Housing Renewal Association to try and salvage some crumbs from the once promising social housing program in Canada.

I call upon the Minister of Housing who continuously championed the cause of affordable housing while a back-bencher to restore these programs and not become the Minister who opted out of the provision of social housing in Canada.

* * *

[*Translation*]

ENERGY

GAS PRICE INCREASES IN QUEBEC

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, for some weeks, many Québecers have told me they are unhappy with the successive gasoline price increases in Québec. Prices at the pump have gone up by more than 3 cents a litre.

I have consulted with retailers and wholesalers in Québec and the complaints seem to be serious. Our inquiries show that the oil companies, which had behaved so well over the last four years, are once again recalcitrant.

A few days ago, the Québec gasoline price inspection and information office (BIPE), at the request of my colleague, (Québec) Energy Minister Ciaccia, published a special bulletin showing conclusively that Québec drivers have been hit with three successive gasoline price increases. I would like to point out to Québecers that the increases ordered by Shell in March and by Ultramar in April seem once again to prove that these companies have raised prices without waiting the required 60 to 90 days.

So as a result, in a seven-week period, over $14 million has gone to boost oil company profits, to the detriment of consumers, retailers and independent wholesalers.

Mr. Speaker, the Québec Energy Minister—

• (1110)

[*English*]

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

* * *

THE ECONOMY

TELEVISION COMMERCIALS RESPECTING THE DEFICIT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, while this Government slashes spending on unemployment insurance, cuts funding for VIA Rail, closes military bases and reduces regional development programs, it continues to waste millions of dollars on television commercials promoting its cuts on the backs of those who can least afford the burden.

The Prime Minister (Mr. Mulroney), on his current visit to the U.S., has taken along an entourage of no fewer than 120 persons while many line up at food banks. Recently the Government has spent $35,000 in renovations to the offices of the Minister of the Environment (Mr. Bouchard) at a time when many Canadians have difficulty providing basic shelter for their families. Yet this same Government has spent $2.7 million to, as the Minister of Finance (Mr. Wilson) puts it, educate Canadians on the need to cut the deficit. Each time the commercial runs, thousands of dollars are taken away from those in need.

These are only a few examples of the hypocrisy of this Government which on one hand expects ordinary Canadians to shoulder the burden of deficit reduction while it continues to spend millions of dollars unnecessarily. Members opposite ought to be ashamed of themselves.

* * *

[*Translation*]

ACID RAIN

AWARENESS OF AMERICAN POPULATION

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, Prime Minister Mulroney recognizes that the acid rain which is spoiling our forests and our lakes is an extremely important concern for the future of Canada. Our Prime Minister is now a world leader with the protocol signed in Montreal to protect the ozone layer and all the efforts he has made in various countries.

Although the newspaper headlines this morning say that the Prime Minister is coming back empty-handed because he has not concluded an acid rain agreement with President Bush, his visit to Boston, where he received a very important prize, made Americans aware and they are surely the ones who will put pressure on the U.S. Congress so that one day we will be able to have an acid rain agreement.

* * *

[*English*]

ENERGY

PRIVATIZATION OF SASKATCHEWAN POWER CORPORATION

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am pleased to rise in this House to pay tribute to the historic battle which the people of Saskatchewan are putting up to save a cherished part of their heritage, the Saskatchewan Power Corporation. I predict that in the same way that the medicare battle of 1962 marked a turning point in the evolution of social policy in Canada, so to the fight to save Sask Power will be a turning point in bringing an end to right-wing economics in this country.

By a margin of 58 per cent to 27 per cent, the people of Saskatchewan are saying no to the pillage of public assets by the Tories and big business. By a margin of 67 per cent to 22 per cent, they are saying no to the privatization of Sask Power.

The ordinary people of this country have had enough, and once again, the people of Saskatchewan are showing the way for a brighter future for everybody, not just the rich and powerful. I am sure I speak for a vast majority of Canadians when I say to the folks back home, congratulations, thank you and good luck.

* * *

NATIONAL REVENUE

COLLECTIVE AGREEMENT RESPECTING MILEAGE FOR CUSTOMS OFFICIALS

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I wish to bring to the attention of the Minister of National Revenue (Mr. Jelinek) that part of the collective agreement which pays mileage to customs officials who work in Coutts, Alberta, but choose to live anywhere beyond 16 kilometres up to a hundred kilometres away. This adversely affects the fine town of Coutts which is the fourth-busiest port of entry into Canada. The elected council and the vast majority of my constituents feel that this is unfair to Coutts and in general is a waste of taxpayers' money. I ask the Minister to negotiate an end to this part of the collective agreement.

[*Translation*]

INDUSTRIAL DEVELOPMENT

SITUATION IN CITY OF MONTREAL

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, first, the Conservative Government's decision on Monday not to locate the Space Agency in Montreal proves beyond any doubt that the Mayor of Montreal, Jean Doré, was had by the Prime Minister (Mr. Mulroney), and he was not the first one.

Second, this decision proves beyond any doubt that our two Ministers responsible for the Montreal area, the Minister of Labour (Mr. Corbeil) and the Secretary of State of Canada (Mr. Weiner), have no clout in the Conservative Cabinet when it comes to defending Montreal's interests.

In addition, the three new Conservative superstars, the Hon. Members for Rosemont, Outremont and Bourassa (Mr. Tremblay, Mr. Hogue and Mrs. Gibeau), are no better than the Desrosiers and Gravels when it comes to delivering the goods.

Mr. Speaker, there is another issue where Montreal is being had, and that is rail transport—VIA Rail. In conclusion, we can say that under Tory rule, not only has Montreal lost the title of Canada's metropolis, but it has now become a suburb of Longueuil!

* * *

[*English*]

THE ECONOMY

DEFICIT REDUCTION

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, no one likes high interest rates, especially the people of Alberta, and I am here to fight for them. High interest rates are hurting all of western Canada.

Some people have called for different rates for different regions. That would cause absolute chaos in Canada. Money would flow from the low to the high rate areas and totally distort the market-place.

Deficit debt reduction is a must and that is what this Government is doing. Without the cuts and tax increases contained in the Budget, Canada's opportunities to reduce high interest rates would have been curtailed. The Bank of Canada rate has dropped slightly. Long-term mortgage rates have dropped a little. Central Canada's economy is cooling. Working together today to

reduce the deficit debt will benefit everyone in the years ahead.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

EFFECT ON RATE OF UNEMPLOYMENT

Hon. Warren Allmand (Notre–Dame–de–Grace): Mr. Speaker, my question is for the Minister of Finance. The April unemployment figures released this morning indicate that since March, the unemployment rate has increased by three points to 7.8 per cent with more than one million Canadians unemployed and increases in unemployment in eight out of ten provinces, increases for women and increases for youth. In these circumstances, how can the Minister justify his deflationary Budget with higher taxes, high interest rates, cuts in unemployment insurance and cuts in regional development? For the last week, we have said that this is the wrong Budget and this morning's statistics confirm that. Why is the Minister adding to this misfortune? Is he trying to drive the country into a recession?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have said on many occasions that this Budget is to do exactly the opposite. If we had not taken these actions, we would be moving much closer to a recession because of the impact of the high debt on the economy. Surely the Hon. Member should understand this.

I have listened to the Hon. Member very carefully. I think this is the first time in four years that he has been on his feet asking questions about the unemployment rate because every other time, it has been coming down. A million and a half jobs have been created during the course of the past four and a half years, and the record that we have achieved as a country during that period of time we believe will be reinforced by the Budget that was brought out last week.

UNEMPLOYMENT RATE FORECASTS

Hon. Warren Allmand (Notre–Dame–de–Grace—Lachine East): Mr. Speaker, the statistics released this morning confirm the forecast that the Minister tabled with his Budget last week. In his document entitled *Canada's Economic Prospects in the* 1990s, he said that unemployment would increase in 1989 to 8.2 per cent and in 1990 to 8.5 per cent.

A report published this morning by Wood Gundy, a well known Canadian investment house, said that the Budget has caused it to revise its economic forecast for next year, and under its new forecast, unemployment would rise to 9.2 per cent in 1990 and we would be pushed into a shallow recession.

With that kind of forecast, and I am referring to the Minister's own forecast, why did he bring in such a recessionary Budget? Can he not understand that the best way to deal with the deficit is to stimulate economic growth and not to strangle investors, consumers and Canadian workers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can very well understand the desire on the part of all Hon. Members of the House to get lower interest rates. This Budget, by putting a better balance between budgetary policy and interest rate policy, is designed to get interest rates down so that we can ensure that we continue the tremendous record of growth that we have exhibited as a country over the last number of years.

The Hon. Member refers to the fact that we are projecting a small increase in the unemployment rate. He neglects to say that we are also projecting an increase in the number of jobs that will be created, as has been the case over the past year. There has been close to 200,000 jobs created and that surely is a positive sign that this economy is a healthy one.

• (1120)

Mr. Allmand: Mr. Speaker, not everyone is wrong except the Minister. He is driving the country into a recession.

[*Translation*]

INTEREST RATES – NEGATIVE EFFECTS

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, for months now, the provincial governments

have been saying that interest rates are too high and have a very negative impact on the economy, on investments and on jobs. When will the Minister start listening to the provinces and other Canadian institutions to change these misguided policies? When?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member wrote down that question before he heard my answer to his second question.

Mr. Allmand: I know what the provinces have said.

Mr. Wilson (Etobicoke Centre): I just told the Hon. Member what the provinces have said. I don't think he was listening very carefully. Let us get to the point. The point is that the Hon. Member wants to get interest rates down. We also want to get interest rates down.

Mr. Allmand: And jobs.

Mr. Wilson (Etobicoke Centre): The Hon. Member wants to have jobs. We are creating jobs in this country at a very satisfactory rate. I want to say to the Hon. Member that you cannot just snap your fingers and say, interest rates go down. They go down through the operations of the market-place. The Hon. Member is suggesting that we ignore the market-place, get interest rates down in an unnatural way. He knows full well that that will lead us right back to the policies of the Government that he was a part of in the 1970s and the early 1980s that led to the high inflation, high interest rates of 25 per cent back in 1981-82, and the huge unemployment disaster which we had at that time. This Government is going to avoid that.

Mr. Allmand: Wrong Budget, Mike.

* * *

THE ENVIRONMENT

ACID RAIN EMISSION CONTROLS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Acting Prime Minister. Canadians are concerned that the Prime Minister was unable to secure from President Bush a solid commitment to negotiate an acid rain accord. Although the President confirmed his administration would introduce domestic legislation to cut sulphur dioxide emissions, Canadians did not get any specific details on the nature of the legislation. Why is the Prime Minister once again coming back empty handed? Why has he not been able to secure a firm commitment from the President on acid rain control?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the Hon. Member's genuine interest in arriving finally at an accord which will bring some control to acid rain emissions on both sides of the 49th parallel. In fact, we have made some very considerable progress, as the Hon. Member will know. There is a proposal coming before the United States Congress by late May or early June that will provide the U.S. legislators with authority in their own jurisdiction to proceed with actions similar to those already taken in Canada. That will provide the basis for an accord between the two countries. The necessity of that accord is agreed to by the President of the United States and the Prime Minister of Canada. The negotiations on that accord will begin shortly after the matter is through the U.S. Congress.

This is very substantial progress, and brings an end to a period when Canadians have been seeking, without much response from the United States, some common action against acid rain. We are making significant progress. I know the Hon. Member will join me and other members in the House in celebrating that.

AWARD PRESENTED TO PRIME MINISTER

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is again for the Acting Prime Minister. The Prime Minister while in Washington accepted an award from a group whose chairman is the head of the USX Corporation, a company which does not believe acid rain is a problem that needs further controls. A position paper of the company says, and I quote:

> The case for acid rain control remains unproved.

Does the Acting Prime Minister agree that in accepting this award the Prime Minister has damaged Canadian credibility on the need for a Canada-U.S. acid rain accord? Has the Prime Minister not implicitly accepted the views of the U.S. company which has been described as one of the country's worst polluters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Of course not, Mr. Speaker. I think it is a rather lamentable practice for the House for Members on the opposite side, for simply partisan reasons, to attack an honour that comes not only to the Prime Minister of Canada, but to the whole of Canada—

Mr. Simon de Jong (Regina—Qu'Appelle): From that company? Come on.

Mr. Clark: —for leadership that we have shown on environmental matters.

Some Hon. Members: Hear, hear!

Mr. Clark: I think in these circumstances it is worth making the point that this is only the second time this award has been presented. It was presented last year to the Prime Minister of Norway, the Hon. Gro Brundtland, whose credentials as an environmentalist are very well known. I am sure the Hon. Member would not want to cast a negative reflection upon the credentials of Prime Minister Brundtland, or indeed upon the credentials of Canada by making that kind of implication.

* * *

NATIONAL REVENUE

GOODS AND SERVICES TAX—INCREASED REVENUES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Finance. During the election campaign, the chairman of the House finance committee pointed out that the Government's proposed new sales tax would increase revenue by some $10 billion. At the time the Prime Minister said, way out of line. The Minister of Finance said, wrong. I want to ask the Minister of Finance, since he was in the committee yesterday, and finally admitted the truth, about what the chairman of the finance committee had to say, namely, that there was a $10 billion additional tax grab coming as a result of this new tax. Why did the Minister say one thing during the election and tell the truth after the election?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is distorting the facts. I have always said that the new sales tax would replace the existing sales tax, plus fund a new refundable sales tax credit, plus lower the income tax rate for middle-income earners, plus I said quite recently that we would remove the surtaxes. The misinterpretation that the Hon. Member tried to apply at the time of the election, and again, is that there would be another $10 billion on top of that. That is simply not true. The amount of money that will be raised by the new sales tax, the goods and services tax, will be used to replace the existing tax, bring in a generous refundable sales tax, which I would expect the Hon. Member would be congratulating us for, plus we will reduce middle income tax rates.

COMMITMENT DURING ELECTION CAMPAIGN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister of Canada was on *Canada AM* this morning. He said in response to a question that the people of Canada were not listening to him during the election. He was wrong. The people of Canada were listening to the Prime Minister. The problem is that the Prime Minister was not telling the truth, nor was the Minister of Finance. I would like to pick up on what he just said. He is quoted from the *Toronto Star* during the election campaign criticizing the chairman of the finance committee, the man who was telling the truth. The Minister of Finance said this:

> The bottom line is that (the sales tax) will not be used to raise the revenues of the Government of Canada.

Was the Minister of Finance then saying that it was going to be revenue- neutral, that any new sales tax was going to be totally offset in its impact by other tax reductions?

Will the Minister of Finance now admit that he misled the people of Canada, that the new sales tax is not going to be totally offset, and that finally the net effect of this is a thousand dollar per family additional tax grab?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I reject what the Hon. Member has just said. I said very clearly in the election campaign—I will repeat what I said in the first answer—that the new sales tax would replace the existing sales tax. It would allow us to reduce middle income tax rates. It would also allow us to remove the surtaxes. I am saying now that because of the seriousness of our financial position, it does not appear that we will be able to eliminate those surtaxes. We have a serious deficit problem.

Well, the Hon. Member is shaking his head, Mr. Speaker. He disagrees that we have a serious deficit problem. He disagrees that we have a debt problem. He does not understand the fact that 12 cents of every tax dollar was going to pay interest about 20 years ago. That has now increased to 35 cents of every tax dollar. If this Hon. Member does not understand the implications of that, and says that we still do not have a serious debt problem, he is in Alice In Wonderland.

• (1130)

Mr. Broadbent: The Minister of Finance used to have credibility. According to the Minister, we had a deficit problem last fall. It did not only appear in the last couple of months. It was last fall that the Minister of Finance was saying these things, and the Chairman of the

Finance Committee was telling the truth. I say to the Minister of Finance that we know who was telling the truth.

Some Hon. Members: Hear, hear!

[*Translation*]

IMPACT OF SALES TAX ON MIDDLE-INCOME FAMILY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, would the Minister admit to Canadians today that with his new sales tax, the average family will pay $1,000 more?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just read from the Budget here. The Government's goal is to ensure that families earning less than $30,000 per year—that's the average income in the country today—will be better off— b-e-t-t-e-r off as a result of the implementation of sales tax reform.

Mr. Broadbent: Tell the truth.

Mr. Wilson (Etobicoke Centre): I am prepared to read it more slowly if the Hon. Member missed it, but there it is in black and white.

* * *

THE BUDGET

NATIONAL SALES TAX

Mr. John Manley (Ottawa South): Mr. Speaker, my question is also for the Minister of Finance and it relates to the sales tax scam that has been unearthed in recent days.

We went through an election campaign when it was clearly stated that the purpose of this sales tax was to replace the manufacturers' sales tax. We are now hearing that it is intended to replace a whole series of other sales taxes and other problems that the Minister himself has created.

We now hear that the surtaxes will not be replaced by the sales tax. We heard during the election campaign that the sales tax was only to replace the manufacturers' sales tax. When can we start to believe the Minister? When is the Minister finally going to tell us what this sales tax is intended to do?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member might have a little better response to his questions if he would state the facts accurately. He has stated that during the election campaign and prior to it I stated that the new sales tax would only replace the existing sales tax. That is totally wrong. I have said time and time again, and the people in the Press Gallery are getting tired of listening to me say it, that it would replace the existing sales tax, plus fund a new generous refundable sales tax credit, plus it would allow us to reduce the levels of taxation for middle-income earners.

Those two additional amounts would be funded by the new sales tax system. I have said that time and time again.

INCREASE IN TAX

Mr. John Manley (Ottawa South): Mr. Speaker, revenue- neutral takes on a new meaning every time the Minister speaks.

Some Hon. Members: Hear, hear!

Mr. Manley: Reform for the manufacturers' sales tax was justified on the basis that this heinous tax was a silent killer of jobs. If that is the case, how can the Minister justify raising it from 9 per cent in 1984 to 13.5 per cent in this Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made no bones about the fact that we have to raise this tax because we have a serious debt problem. That is the purpose that was set out in this Budget last week.

The Hon. Member says that it is a silent killer of jobs. That is correct. Now I would hope that the Hon. Member would be supporting us with the introduction of the new goods and services tax, as the Members of the Finance Committee did on a unanimous basis in the last Parliament, signed by the two finance critics of the Liberal Party, stating that we must change the old sales tax, we must get rid of the manufacturers' sales tax, and we must bring in a new sales tax.

I have yet to hear what new sales tax the Liberal Party would bring in, because it would be exactly the same sales tax that is proposed in this Budget.

* * *

THE BUDGET

CLOSING OF CF BASE SUMMERSIDE,

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Finance. In the recent Budget the people of Prince Edward Island have seen their funding for hospitals and education cut back, the

regional development funding cut back, their taxes go up, and then the final blow, the closing of the Canadian Forces Base in Summerside.

I want to ask the Minister does he realize that 1,300 jobs will be cut out of Prince Edward Island with the closure of this base? Does he realize that $50 million annually will be taken from the economy of the province?

If he does realize these things, why did the Government decide to close the Canadian Forces Base at Summerside?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure my colleague, the Minister of National Defence, would like to address part of the question, but let me be quite clear: The Hon. Member has just said we are going to cut the established programs financing for Prince Edward Island. It is going to go up by $5 million in 1989–90, and another $5 million in 1990–91. That is a five per cent increase. The equalization program that we have not changed will go up $12 million in this current year and another $10 million next year. Surely the Hon. Member should not be distorting the facts by saying that we are going to cut this funding. The funding is going to continue.

The Hon. Member refers to a range of issues that relate to Prince Edward Island. She could make those same comments about a range of issues that affect a number of provinces, all the provinces. We know that the Budget itself is going to have an impact on all parts of the country, but that is the nature of the debt problem that we have and the fact that 35 cents of every tax dollar is now going to pay the interest. That is more money than we spend on old age security, family allowance, medicare, and social assistance.

Surely we have to get that amount under control so that we can maintain these programs which are so important to people right across the country.

IMPACT ON PRINCE EDWARD ISLAND

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the Minister's own papers show that the province of Prince Edward Island is going to receive less money than promised. My question to the Minister is the following.

The Minister stated that we have to reduce the deficit. We all have to take part in shouldering this burden. Why does he expect the province of Prince Edward Island to shoulder such a large and unreasonable part of this burden?

Will the Minister stand in the House today and admit that the closure the CFB base at Summerside is unfair to the people of Prince Edward Island?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, my colleague has addressed some of the concerns expressed by the Hon. Member from Prince Edward Island. I would not like to leave people with the understanding that this new found interest by her and her Party in national defence is for any other reason than a provincial election being held inPrince Edward Island.

The people who have the ability and the requirement of the service and a commitment to this country, the men and women who serve inthe military today—I see Members in the Liberal Party smiling—the men and women who serve in the military today deserve more from the people of Canada than to be located in regions for economic development. What they deserve is the ability as Canadians to share the load in getting the debt down.

By restructuring the military, we hope to be able to bring into proportion the Operations and Maintenance and the personnel in order that we can provide the equipment necessary for the men and women who serve all Canadians.

* * *

• (1140)

THE BUDGET

PERSONAL INCOME SURTAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of Finance. Once again, Canadians are seeing another broken promise by the Government. During the election the Minister said that the surtax on personal income tax would come off when the sales tax was imposed. How are Canadians supposed to believe the Government when temporary is now permanent, $10 billion is not $10 billion, revenue-neutral is not revenue-neutral?

Yesterday the Minister indicated that the temporary surtax on personal income would not necessarily be removed with the imposition of the sales tax. Will he confirm that he does not intend to keep his promise and the personal income surtax is now a permanent feature of the tax system?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will tell the Hon. Member that the promise that I definitely will keep is that we will continue to provide good financial economic management for this

country so that we can continue to see the growth in this economy and the jobs that come with it.

The Hon. Member knows full well that we have had a completely different set of circumstances—

Mr. de Jong: Six months ago.

Mr. Wilson (Etobicoke Centre): —with the high interest rates we have seen over the course of the past few months. That has knocked us off stride in our objective of getting the deficit down and getting the debt under control. Measures must be taken now to deal with that.

The Hon. Member's Party has been continually calling for lower interest rates, which we would like to get as well, but one cannot just dream down a road and say: "Let's have lower interest rates". We must bring in policies that will generate those lower interest rates. That is exactly what we are trying to do as a result of the Budget that was tabled last week.

TAX EQUITY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, in 1986, over 6,000 wealthy Canadians did not pay any tax. The Minister, in his Budget, has increased the surtax, but I remind him that 8 per cent of zero is zero.

I remind him that Canadians are listening. Is this the Minister's version of tax fairness? When will he ensure that the wealthy pay their fair share?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me point out to the Hon. Member what is in the Budget.

Mr. Broadbent: We know.

Mr. Wilson (Etobicoke Centre): We have brought in a high income surtax so that someone earning about $30,000 or $40,000 will pay $75, $85, $90 more in tax, but someone earning $100,000 will pay more than $1,000 more in tax, and someone earning $200,000 will pay more than $2,000 more in tax. Surely that indicates to the Hon. Member that we are asking those who can afford to shoulder a heavier burden in meeting this debt problem to do so.

What we have done in previous Budgets, beginning in October, 1984, is to continually weed out, identify and eliminate a number of tax breaks, tax preferences, tax loopholes that upper-income Canadians have been taking advantage of—

Mr. de Jong: Then you upped the rates. How can you stand there and give us that? How dare you stand up—

Mr. Wilson (Etobicoke Centre): If the Hon. Member who wants to be Leader of his Party—I can't think of a more frustrating position to be in—would listen to the answer, he has been on the Finance Committee and he knows the number of these tax preferences we have removed and identified. The Hon. Member should know that we have been taking action and will continue to take action.

Mr. de Jong: What a bunch of bunk.

* * *

THE BUDGET

SOCIAL PROGRAMS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is directed to the Minister of Finance. Will he explain to the House the Government's rationale for involving family allowance and old age pensions for incomes over $50,000 as a measure of decreasing our national debt?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me refer the Hon. Member to the statement in the Budget speech:

> The central purpose of the social safety net is to assist those most in need, not to subsidize those with high incomes.

We have stated on many occasions in the House that the cost of servicing the government debt has gone up significantly as a percent of our tax dollars. For every tax dollar that we pay now, 35 cents goes to servicing the government debt. If we can control that amount, and this is one of those measures that will help us control the funded debt, we will be able to do more to maintain and enhance the social programs for those who are most in need, those who need the help the most.

* * *

THE ECONOMY

UNEMPLOYMENT IN ATLANTIC REGION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, my question is directed to the Minister for International Trade. Many communities in Atlantic Canada face economic disaster because of quota reductions and a shortage of fish stocks in Atlantic waters.

Already we have witnessed the disruption to the community of Port Mouton as a result of the closure by Clearwater of its fish processing plant there. Now the president of National Sea Products is warning of further lay-offs and plant closings.

Does the Government have a comprehensive plan to assist the unemployed in these communities? If so, will he tell the House what measures his Government will put in place to ensure that these communities do not follow the fate of Summerside?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the only information we have to date is what I suppose one could call a warning by the president of National Sea Products Limited that they have excess plant capacity, that markets have not been the best, the number of fish plants has increased in Nova Scotia and the cod stocks have gone down. He has not yet made any announcement of closures of any fish plants. However, if he does, then all the normal government programs will go into effect. The National Employment Service, the unemployment insurance programs, other adjustment programs will go into effect as they have in the past and as they will in the future.

FISH PLANT WORKERS—EFFECT OF NEW UNEMPLOYMENT INSURANCE REGULATIONS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the proposed changes to the unemployment insurance program that were recently announced will mean that the unemployed fish plant workers throughout Atlantic Canada will need significantly more weeks to qualify for fewer weeks of benefits after having paid more in unemployment insurance premiums so that the Government can get out of contributing anything to the unemployment insurance program at all. This is at precisely the same time as unemployment rates are rising and major quota reductions are pointing to less work for these workers.

Will the Minister explain the fairness in that? Where is the justice in this so-called labour force development strategy?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as a result of the vastly improved employment record of the last three or four years, the Government's contribution to the unemployment insurance fund has been less and less necessary because the deficit no longer existed. The forecast for unemployment in the area shows a slight increase over last year, but still a great improvement over the record of the Government that came before us. I do not believe that the dire forecast of the hon. gentleman will prove to be accurate.

THE BUDGET

EFFECT OF CUT-BACKS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, we have been witnessing today, as we have over the course of the last month, a Government telling us one thing and proceeding to do something else.

In the absence of the Minister of Employment and Immigration, my question is directed to the Minister of Finance. As an example of saying one thing and doing another, I draw the attention of the Minister to the fact that the Government has removed $800 million from the unemployment insurance fund to supplement the Government's past cuts in training programs. It has restricted eligibility for benefits—

Some Hon. Members: Question!

Mr. Volpe: It has reduced the benefit period. In the interim this Budget proposes an additional cut of $2.9 billion in regional extended benefits. With the unemployment rate in the upswing—

Some Hon. Members: Question!

Mr. Deputy Speaker: Would the Hon. Member please put his question.

• (1150)

Mr. Volpe: Mr. Speaker, with the unemployment rate on the upswing in eight of ten provinces, will the Government tell Canadians that the Government does not intend to abandon its responsibilities in employment programs?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport): Mr. Speaker, I do not know where the Hon. Member has been since the House was reopened.

It seems to me that the Minister of Employment and Immigration announced a revamping of the Unemployment Insurance Act so that we could invest more money—much needed money—into training and retraining, while maintaining at the same time the level of commitment that we have had for the Canadian Jobs Strategy that now stands at approximately over $1.7 billion.

The change in the UI Act and the new reform in human resource strategy will enable the Government to bring forward over $800 million of new money so that we can help people move from unemployment into the new job opportunities that will be present in Canada because of the great Budget of the Minister of Finance and everything that the Government has been doing.

Some Hon. Members: Hear, hear!

[*Translation*]

INCREASE IN UNEMPLOYMENT RATE—GOVERNMENT'S POSITION

Mr. Joseph Volpe (Eglington—Lawrence): Mr. Speaker, my question was about his funding sources. Obviously, the Minister did not understand the question.

In fact, his indignation proves that his policy and this Government's policy are going to create poverty. The Minister chooses to ignore the dismal reality, just as he chooses to ignore his responsibilities.

Mr. Speaker, I would like to know whether the Minister thinks it is fair, considering rising unemployment, that women, young people and the disadvantaged should be made to suffer for this Government's incompetence.

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, I suppose the Hon. Member for Eglington—Lawrence has the excuse of not having been in the House when, in the past, his own Party made predictions on the impact of the Budgets of the Minister of Finance.

Mr. Speaker, I was here, and I can give you the benefit of my experience. In 1985, when the Minister of Finance brought down his Budget, the Liberal Party's finance critic predicted that 100,000 jobs would be lost. On every Budget night, the New Democrats said that hundreds of thousands of jobs would be lost.

Mr. Speaker, since then 1,300,000 jobs have been created in Canada, and that is since this Government came to power.

[*English*]

THE BUDGET

NATIONAL SALES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Bay Street boy, the Minister of Finance.

I want him to answer a specific question in the House today, if that is at all possible. Back in October of 1988 in the election campaign the Minister said and I quote: "The bottom line is that the sales tax will not be used to raise the revenues of the Government of Canada. Mr. Blenkarn is not speaking for the Government of Canada, I am speaking for the Government of Canada".

What I want to know now is whether or not the Minister will admit in the House today that the national sales tax, the goods and service tax, will not be revenue-neutral, that the Chairman of the Finance Committee spoke the truth, and that the Minister is now in the process of breaking a commitment to the people of Canada.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is the third member of the New Democratic Party who has distorted what I said during the election campaign.

Mr. Broadbent: They are your words.

Mr. Wilson (Etobicoke Centre): The Leader of the New Democratic Party says that they are my words. If he would read my words in total then I would accept it, but he has not. He is selectively reading them so that it distorts what I said.

I will repeat what I said. We are going to bring in a new sales tax which will replace the old sales tax, which will allow us to reduce middle-income taxes, and which will allow us to eliminate the surtaxes.

I have said recently that because of the debt problem we are not going to be able to eliminate the surtaxes as quickly as we would like. The number of $10 billion is taken totally out of context. The Leader of the New Democratic Party is saying, as is his finance critic, that that was $10 billion in additional revenues—

Mr. Broadbent: No, we are not.

Mr. Wilson (Etobicoke Centre): —over and above what we intended to raise. That is totally wrong.

Mr. Broadbent: We did not say that.

Mr. Wilson (Etobicoke Centre): The Hon. Member says he did not say it. He is distorting totally then what he just said when he asked me the question five minutes ago.

EFFECT ON INFLATION RATE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the whole country remembers that he did say that it would be revenue-neutral. He has now admitted that he is breaking that commitment to the people of Canada.

What I also want to know is this. In the Finance Committee yesterday morning the Minister said that this new sales tax would add 2.5 per cent to 3 per cent to the inflation rate. We all know that Mr. Crow puts up interest rates when the inflation rate goes up. Can the Minister now tell the people of Canada what impact this increase in the national sales tax will have on interest rates in Canada? Because inflation is now a problem in the Minister's mind will he at least delay the national sales tax until the inflationary pressures ease up?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again, the Hon. Member is quoting selectively what I said in the committee yesterday.

Mr. Nystrom: Exactly what you said.

Mr. Wilson (Etobicoke Centre): What I said, and I repeat, yes, the inflation impact—one shot over a very short period of time—is in the order of 2.5 per cent to 3 per cent.

What I went on to say is that the Governor of the Bank of Canada, the Bank of Canada, will be looking at the underlying impact of a variety of things on the performance of the economy, the underlying demand growth in the economy,before deciding what the levels of interest rates should be, what the conduct of monetary policy should be. The Governor of the Bank of Canada understands that that is a one-shot increase in prices.

There is an ongoing set of circumstances in the economy that are far more important to the decisions that are related to the conduct of monetary policy. That is what he will be following.

CANADA POST

ALLEGED HARASSMENT OF EMPLOYEES

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister responsible for Canada Post.

Workers at the Canada Post Gateway plant have reported systematic harassment by management in a clear effort to break the morale of both employees and the postal union. *Today's* The *Toronto Star* reports that there is currently an investigation under way to substantiate allegations that supervisors are accepting bribes to facilitate employee hiring. Will the Minister now confirm that an investigation is under way?

Given that my constituents have been coming to my office complaining that they have lost their jobs at Gateway because they have supposedly failed aptitude tests, can the Minister assure us now that employees of Canada Post who have lost their jobs as a result of these less than credible aptitude tests will have their dismissal reviewed by an independent arbitrator to ensure that these individuals were not victimized? Would the Minister agree that stamps are not the only things that have to be licked in order to keep the mail going?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, some days ago a member of my Party reported to my office that in fact there were suggestions of job buying or job selling. The Post Office undertook an investigation. This morning, charges were laid against a Post Office employee.

I do not think it would be appropriate for me to provide any more detail than that at this point in time.

[*Translation*]

SCOPE OF INVESTIGATION—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Minister responsible for the Canada Post Corporation, on the same case.

Could the Minister inform the House whether the investigation deals only with the Gateway Post Office or whether other post offices in Canada are included? If so, could he tell the House whether he has the impression that this problem exists beyond the confines of the Canada Post Corporation?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, if the Hon. Member is aware of illegal activities in other postal operations—

Mr. Boudria: I am asking you.

Mr. Andre: —if he will bring them to my attention or or that of the Post Office, an investigation will be undertaken.

Mr. Boudria: I should have asked the question slower.

Mr. Andre: In response to information provided, an investigation was undertaken and charges laid.

The Hon. Member has asked whether the Post Office is engaged in a witch-hunt across the country. I am not aware of that.

Mr. Deputy Speaker: If the House agrees we will have one question from the Hon. Member for Essex—Windsor and one question from the Hon. Member for Oxford.

* * *

• (1200)

EMPLOYMENT

DECREASE IN JOB CREATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance. The unemployment figures released today show a major increase from March of this year, plus a major increase from April of last year.

The Government said that jobs would increase under the Free Trade Deal and now, for the first time in three years, jobs have decreased by 54,000.

I ask the Government and the Minister: Do they not recognize that high taxes and high interest rates are pushing this country into a major recession which will hurt thousands of people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, maybe the Hon. Member could let me know from where he is getting these figures. In April, 1988, the level of employment was 12,188,000.

Mr. Allmand: What was the rate?

Mr. Wilson: It was about the same as it is today.

In April, 1989, the level of employment was 12,384,000. That adds up to, I believe, 196,000 more people working today than was the case 12 months ago. Surely the Hon. Member can understand that tremendous progress.

TRADE

BROILER HATCHING EGGS AND CHICKS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister for International Trade. For some months now farmers in my riding and across the country who raise broiler hatching eggs and chicks have been asking to have their product placed on the import control list. Can the Minister tell us if and when he may be able to recognize their request?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am delighted to have received the only reasonable question this morning.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The situation is that broiler hatching eggs and chicks will be placed on the import control list effective May 8, next Monday.

Some Hon. Members: Hear, hear!

Mr. Crosbie: There are already import controls existing on chicken, turkey, eggs and related products to support marketing plans established under the Farm Products Marketing Agencies Act. We believe the measure to be consistent with our rights and obligations under the GATT. We are operating under Article XI of the GATT.

We have taken steps to inform our trading partners of the changes to the import control list. We will give the domestic industry administrative details of the new controls, including the level of import quotas within the next few days.

I thank the hon. gentleman for his question which shows his interest in this subject.

* * *

POINTS OF ORDER

CHANGE IN FIGURE QUOTED DURING QUESTION PERIOD

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, with your permission I would like to make a revision to a figure I used in remarks I made earlier today. A figure of 120 was used. The figure ought to have read 20.

COMMENTS MADE DURING QUESTION PERIOD

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, during the Question Period certain statistics were

thrown out by myself and the Minister of Finance. I simply want to make the point—

Mr. Clark (Yellowhead): Order!

Mr. Langdon: —that the change from March of this year to April of this year was a decrease of 54,000 jobs.

Mr. Deputy Speaker: The Chair finds that this is a matter of debate.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to two petitions.

(*Editor's Note: See Today's Votes and Proceedings.*)

[*English*]

SOUTH MORESBY PARK—HYDROCARBON EXPLORATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to table several dozen petitions. The petitioners state that when the South Moresby Park Agreement was signed the federal Government committed itself to spending $20 million or more to explore for minerals and hydrocarbons in this first national marine park. Allowing for mining or drilling in parklands sets a completely unacceptable precedent and renders the whole concept of park creation meaningless. Moreover, exploring for hydrocarbons in these waters is too dangerous. The West Coast of British Columbia is Canada's most earthquake prone region, the Queen Charlotte Island Basin has an even higher earthquake activity than the San Andreas fault. Hecate Strait has one of the roughest and most unpredictable seas in the world.

Therefore, the undersigned do not want anymore hydrocarbon exploration activities to take place in the coastal waters, be they at the initiative of the public or the private sector, nor do they want a Government to pay for any such activities from this day on, August 12, 1988.

These petitions are signed by several hundred people residing in British Columbia. I am pleased to table their petition in the House.

INCOME TAX EXEMPTION—TOOLS REQUIRED BY MECHANICS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is my pleasure today to table a petition signed by some 1,800 mechanics from the Province of Alberta. They come from our cities and from our small towns such as Hussar, Bassano, Brooks, Vulcan and many other smaller communities.

The mechanics of Alberta would like the Government to pay attention to their request for relief under the Income Tax Act for the cost of their tools. It is a cost of gaining employment which is unique to the mechanics' profession. I hope the Government will give it every consideration.

I might point out that this is the second petition of this kind. Mr. Chris Grieve, a mechanic in the Province of Alberta, deserves a lot of credit for getting over 3,000 signatures from mechanics in our province to sign this petition.

VIA RAIL SERVICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 36, I have the honour and duty to table two sets of petitions, both having been certified correct as to form and content by the Clerk of Petitions. The first is signed by residents of Thunder Bay, Ontario, Kakabeka Falls, Kaministiqua, Gilles, Murillo and rural areas around Thunder Bay. The petitioners point out that an effective and efficient national passenger rail system in Canada is a desirable form of transportation for many Canadians. They go on to note that this Government has refused to provide VIA the necessary support to fully realize its potential to develop the kind of national passenger network that Canadians want and deserve. They conclude by calling upon Parliament to live up to its original pledge to support VIA Rail, to abandon plans for further cuts to VIA's budget and provide the necessary resources to allow VIA to operate as a modern effective transportation company rather than a museum.

The second petition is signed by residents of Trail and Revelstoke, B.C. as well as other parts of British Columbia. The petitioners point out that the Conservative Party of Canada said in its report on passenger rail services that the federal Government has the responsibility to ensure that rail passenger services in Canada be retained, modernized and expanded as an important part

of our national transportation system. They call upon the Government to live up to its original pledge and support VIA Rail, and to abandon plans for further cuts to VIA's budget.

* * *

[*Translation*]

STARRED QUESTIONS

(Questions answered orally are indicated by an asterisk.)

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, there is a question that I would ask you kindly to call—starred question No. 42. And if you allow me, Mr. Speaker, I have a written answer here that I could table to show it has been read right here in the House.

[*Text*]

TOURISM—AN ADVANTAGE FOR CANADA

Question No.42—**Mr. Wappel:**

On March 14, 1989, did the Minister of State for Small Business and Tourism release an information package entitled *Canada Grows With Tourism* and, if so, what was the (a) per-unit (b) total-production cost (c) total number of units produced?

Hon. Jean Charest (Minister of State (Youth) and minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): The information package entitled *Canada Grows With Tourism* was prepared by the Tourism Industry Association of Canada (OTIA) for National Tourism Week (NTW), which will take place from May 15 to 21, 1989. The aim of NTW is to make the importance of tourism for Canada better known. The information package was distributed throughout Canada to help reach this objective.

As part of its involvement with NTW, Tourism Canada financed the production of some items in the information package, in particular:

- the folders
-the summary of last year's activities
-model speeches
-the guide of suggested activities
-the brochure on tourism

The cost of Tourism Canada's participation is as follows:

(a) unit cost (per package)—$10.92
(b) total production cost—$65,540
(c) number of units produced—6,000

[*Translation*]

In addition, Mr. Speaker, with the indulgence of the House, I would ask your permission to return to *Motions* in order to present a motion that should have been presented when you called for it.

Mr. Deputy Speaker: Does the House agree?

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I would like to present this motion with consent and after consultations with both opposition Parties. The motion reads:

That any recorded division if required or requested on Thursday, May 11, 1989, during or at the conclusion of that day's resumed debate on the Budget, Ways and Means Proceeding No. 1, stand deferred until 6 p.m. on Monday, May 15, 1989.

Mr. Deputy Speaker: Does the Hon. Deputy Government House Leader have the unanimous consent of the House to move the motion?

• (1210)

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—SOCIAL PROGRAMS—CLAW-BACK PROVISION

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

That, in the opinion of this House, the claw-backs proposed by the Minister of Finance with regard to the Old Age Security pensions and Family Allowances (1) undermine all Canadian social programs; (2) make easier future incursions against Old Age Security pensions and Family Allowances as well as other social programs, including

medicare; (3) will fall most severely on Canadians of moderate means while costing the wealthy little; and

That this House, therefore, condemn the Government for this attempt to violate this sacred trust.

Mr. Deputy Speaker: Before we started Question Period there were 10 minutes left in the question and comment period of the speech from the Hon. the Minister of National Health and Welfare. On questions and comments, the Hon. Member for Kamloops.

Mr. Riis: Mr. Speaker, I have listened carefully to the Hon. Minister's presentation, and regardless of the points he was making, the truth of the matter would be that a number of senior citizens will not be retaining their OAS cheques as a result of this Budget measure, in terms of what they call a claw-back provision for pensioners.

I would like to ask the Minister the following question, based on a little historic precedent. Back in 1925 when this began during a Liberal minority Government, a rather visionary labour Member of Parliament who with his partner, held the balance of power, introduced an Old Age Pension Bill. It passed the House in 1926 with a Liberal minority Government. At that time it was opposed by the Conservatives in the House. It was then blocked in the Senate by the Conservative majority of the day, much the same as the Liberal majority blocked the free trade deal.

An election was called and the arguments made at the time by Conservative Senators primarily were that any idea of a pension would hurt families because it would remove the obligation of children to care for their elderly parents. They also said that if we gave a pension to everyone, some criminals would get the pension and that would not be right. It would encourage people not to save to prepare for their retirement years.

An election was called and not suprisingly, the Conservatives were absolutely trounced and Mackenzie King reintroduced the Old Age Pension Bill. Even then it was opposed unanimously by the Tories in the House. It was even opposed again by the Conservatives in the Senate but they reluctantly let it pass because the people had spoken in the general election.

I remember reading my history, although I was not around in those days, that the Conservatives opposed the principle of giving a pension to anybody. Well, a lot has happened since then.

I would like to ask the Minister, is this not a reflection of that old Conservative view that charity has a place but any idea that everyone would actually collect a pension cheque based on their rights as Canadian citizens is something that the Conservative party simply cannot accept?

An Hon. Member: That is right.

Mr. Beatty: No, Mr. Speaker, it is not. I was in intrigued that the hon. gentleman should reach back to I believe 19—

Mr. Riis: 1925.

An Hon. Member: That is before you were born.

Mr. Beatty: Yes, it was some 24 years before I was born and the hon. gentleman is still living in the past. He does not recognize the realities of 1989 are markedly different from the realities of 1924. For example, the hon. gentleman does not seem to be aware of the fact that in this Budget the Government sets aside a further $865 million in payments to seniors because we believe that this generation has an obligation to seniors who saw us through the Depression and who helped to build for us the sort of society that my generation is privileged to have today.

There is a fundamental question here and that is whether or not we believe as Members of Parliament and as Canadians that in the attack that we make on this mountain of federal debt those of us who are better off should be asked to carry more of the burden. The historic position of the New Democratic Party had been that wealthier Canadians should be asked to pay more. Indeed, the Member for Yukon (Ms. McLaughlin), today was up on her feet demanding—

An Hon. Member: Income tax.

Mr. Beatty: Exactly. Demanding that taxes should be increased upon wealthy Canadians.

They talk out of both sides of their mouths. When the Minister of Finance (Mr. Wilson) does precisely that and says that the top 4 per cent of pensioners will be asked to contribute some of that pension back, they cry foul and they say that we are oppressing the rich by doing this and that it is unacceptable to them.

The 96 per cent of Canadians who are not touched by this, the lower 96 per cent, recognize that it is fair that those of us who are wealthier should be asked to carry our fair share of the burden. Our policy in a society which continues to age and age gracefully is to protect

pensions for the future by ensuring that we can get a handle on that mountain of federal debt.

Mr. Deputy Speaker: The Hon. Member for Scarborough West on a question or comment.

Mr. Wappel: Mr. Speaker, I am not going to make comments but I am going to ask two very specific questions of the Hon. Minister.

Mr. Beatty: Thank you.

Mr. Wappel: My colleague from Cape Breton—East Richmond in his speech earlier in the day used certain figures. I would like to know if the Hon. Member agrees with the figures that he used, which I will cite in a moment. If he does, can he provide an explanation. Namely, is it a fact that Canadians earning $23,000, around the poverty line, have since 1984 had their taxes increased by over 60 per cent, while those earning $100,000 or more have had their taxes increased by only 8 per cent, plus or minus a percentage? Is that true, and if it is what does the Hon. Minister have to say about it?

The second question is in connection with his remarks in his speech where he pointed to the Members on this side of the House and accused us of being blind, partisan and indicating that we were opposed to the Government's Budget for partisan reasons. I would like to ask him if he is aware of the comments of the Member for Calgary Northeast (Mr. Kindy), who is a member of his own Party, who is quoted in *The Calgary Herald* of April 30 as having said that he was opposed to the new sales tax which the Government was proposing because he feels that it is "regressive because it's on the backs of consumers".

I again quote:

> Calling the tax unfair and the wrong way to reduce the federal deficit, Kindy said it will involve hiring another 4,000 civil servants and cost $200 million to administer.

I do not consider that partisan since he sits on that side just a few rows behind the Hon. Minister. I would like the Hon. Minister's comments on his own Member's statements.

Mr. Beatty: I would be delighted to respond to these two questions. I will leave to the Parliamentary Secretary the Minister of Finance (Mr. Vincent) comments with regard to the taxation system in general. I will stick, perhaps, to my particular area which is the area of social programs and ensuring equity for people who are most in need.

The hon. gentleman professes a concern for Canadians who are most in need, particularly low-income Canadians. Yet his Party opposes a measure in this Budget, and indeed that is the whole point of the debate today, their opposition to a measure which will try to protect the pensions, the family allowances and the medicare of lower-income Canadians by asking higher-income Canadians to pay higher taxes on their old age pensions and on their family allowances.

You cannot have it both ways. Either you believe that lower-income Canadians should be protected and those of us who can afford to pay should be asked to pay more, or you do not. You cannot talk out of both sides of your mouth. What I proposed earlier in the day was that we apply one simple test to everyone who speaks today. Do they candidly and honestly state what they would do to deal with this mountain of federal debt? Do they propose that it can be dealt with simply by patent remedies, patent medicine or do they recognize that it is a serious problem and serious solutions have to be followed?

There is room on all sides of the House for debate and for disagreement as to how best deal with this issue. I made that point in my remarks earlier. But where there is not room is for us to simply substitute partisan posturing for policy.

Hon. Members: Hear. Hear!

Mr. Beatty: Canadians have a right to much more than that.

An Hon. Member: Right on.

Mr. Deputy Speaker: The Member for Vancouver East on a question or comment.

Ms. Mitchell: Mr. Speaker, I would like to ask the Minister, unless I missed it, why he did not comment or explain at all to parents in Canada, particularly to many women who are in the work-force or would like to get into the work-force, about this Government's promises for five or six years that child care would be a top priority, that it was essential to equality in this country, and furthermore as the special Committee on Child-care documented, it is very damaging to this generation of children not to have good quality care that is affordable. I do not know about the Minister's experience. I hope he is talking to people who need child care, but every week in my riding, I hear from women on welfare

and indeed even professional women who simply cannot find any space for their children. These children are literally at risk as a result.

• (1220)

First, I would like to ask the Minister why the Government cut this program out, especially since he is talking about equity for those in greatest need. He is talking about the children of the future, but the Government surely cannot ignore the million and a half children at present who need child care desperately. Many of them, one in six, are poor and their mothers are locked in the welfare system, which is also the Minister's responsibility. They have no opportunity to get into training or to get out of the welfare system and into work if they do not have good child care.

Why did the Minister not at least use the $2.4 billion which is going to regressive child care tax breaks to those wealthier Canadians, not necessarily rich, breaks which ignore the ones with the greatest need? That measure, of course, creates no new spaces for child care.

The Minister was good at fighting for nuclear subs. Why did he not fight hard for children and to protect that money which was for child care spaces? I say that even though I did not agree with the way the Bill was being implemented? However, the money should be there and we should work out a sensible plan and build for the future. By not doing that, he is indeed putting those in greatest need at great risk.

Mr. Beatty: Mr. Speaker, the Hon. Member is quite correct in saying that she simply missed what I said in my speech with regard to child care, because I did indeed answer that question in the context of my remarks. Let me review first for the Hon. Member what is being done. She criticizes the child tax credit. Some 90 per cent of the assistance delivered—

Ms. Mitchell: No, child care expenses.

Mr. Beatty: Yes, that is exactly what she was saying. She referred to a figure of $2.4 billion—

Ms. Mitchell: I am talking about child care expenses.

Mr. Beatty: The Hon. Member may deny it now, but she referred, and she can check the "blues", to a figure of $2.4 billion for tax assistance. This goes through in two ways. The first is through the child care tax deduction, but the other 90 per cent is delivered through the child tax credit. If the Hon. Member proposes that we cut that $2.4 billion worth of assistance, she would be taking it away from the child tax credit which provides the majority of assistance to people on the low end of the income scale. I hope she will reconsider that.

Second, the $100 million child care initiatives fund remains in place. Third, the Canada Assistance Plan, which is aimed to provide assistance for child care to those people most in need, remains in place. We have paid in the past year some $200 million under CAP and we expect a 20 per cent increase this coming year.

Finally the Hon. Member asked about the children of the present. Indeed, every child in Canada today has a debt in his or her name in Ottawa of $12,300, a debt that increased $3 in the last 24 hours and will increase by $3 in the next 24 hours and in each subsequent 24 hours. That is precisely the issue.

If Hon. Members opposite claim to be concerned about young Canadians and about the future, then they have an obligation to stop stealing from those children, to stop running up a mountain of debt which cripples their ability in the future to build something for themselves. It is the height of irresponsibility for those of us who serve in Parliament to steal from the children by refusing to accept our responsibility to manage the affairs of Canada responsibly.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is not a pleasure to rise today to speak on what the Minister of Finance (Mr. Wilson) has termed the clawing back of old age pensions and the clawing back of family allowance payments. I want to begin my remarks today by saying that being a Canadian means something to Canadian citizens. The fact that a person is a Canadian citizen means some very important things.

We are recognizing not only that people who live in Canada are proud to be Canadian but that there are thousands and tens of thousands and, I suspect, millions of people in the world who would love to be Canadian citizens. The reason for that is that being a Canadian citizen means certain things. It means we have a set of responsibilities as Canadian citizens, but it also means that we receive certain rights and certain benefits. There are certain aspects of being a Canadian citizen that we perceive as being good.

Being Canadian citizens means that our children will have access to elementary and high school education. It does not matter if we are rich or poor, if we live in eastern or western Canada. It does not matter about our ethnic or religious backgrounds. Our children will be

able to go to school, and the cost of that school will come out of general revenue.

There are other very important rights. There is the right of families with children to receive family allowance support. The Government of Canada wants to invest in this most important resource and is prepared to pay a certain amount to the family during the important formative years of children to offset some of the costs that a mother or father or both will have raising children. That is a right that Canadian citizens have. We are proud of that right.

We also have access to police protection and to other forms of security in our communities including community services and a variety of social services. Again it does not matter whether we are rich or poor, where we live or what our backgrounds are, we have equal access to those services and that protection. The police never ask, whether you have paid your taxes. They never ask, what your religious affiliation is. That is a service Canadian citizens get automatically.

The same is true of medical care and hospital care. Canadian citizens are able to walk into hospitals if in need and be cared for, regardless of who they are and their level of income.

Fundamental to our rights is the right to obtain an old age pension cheque. A citizen who is 65 years of age and has worked to build what we are proud of in Canada is entitled to an old age security cheque. We have had that right for decades, and we had to struggle originally to get that concept introduced. People across Canada said that this ought to be a fundamental right that goes with citizenship in Canada. It is. That is why Canadians are proud of our achievements and proud of what it means to be a Canadian. It is an important symbol.

Regardless of who one is, whether one is from a rich class, from a disadvantaged group, or from a certain community, just being a Canadian citizen makes one eligible for these basic fundamental rights. It is a real framework of security and protection, and this framework creates a decent standard of living for all Canadians. It gives Canadians peace of mind to know, for example, that if they work in their country, help build our country of Canada, when they reach age 65, they will receive pension cheques from the people of Canada, not from the Government but from the country they helped build. That gives older people real peace of mind, a real sense of security. It gives them real hope for the future. That is what it means to be a Canadian today.

All other countries do not have these rights. As a matter of fact, in most other countries in the world, those rights of citizenship are not in existence. Those rights are not found in the United States. Yes, Americans share some of our rights like freedom of speech, freedom of movement, and political and religious freedom. Those are other fundamental rights that we have in our country and we share them with the United States.

• (1230)

Do they have universal hospital care in the United States? There are many cases where people are rushed to hospital and the doctor meets them at the door and asks for their credit card and, it they do not have a credit card, they will not get medical care. We fought against that mindset. We avoided that market–place health care model.

We know people who have become sick in the United States and have literally bankrupted their families by paying for the required health care because they did not have universal medical insurance in that country.

What about old age pensions? Do people in the United States have an old age pension system like the one we have in Canada? The answer is no. They have a contributory pension plan to which they contribute as they work, a pension like the Canada Pension Plan. They will receive pensions, or they will have a means test such as our means test for the Guaranteed Income Supplement. However, when they reach age 65 they do not automatically get an old age pension cheque in the United States.

This is what it meant to be a Canadian—it was one of the few countries in the world where the pension comes with citizenship, but no more. The Conservative Government of the day has broken that right of citizenship.

My dad is 85 years old. He has told me about the old days when the elderly had to take a means test. They had to prove that they were poor enough to qualify for a cheque. He said that we do not want to see that kind of day return to Canada.

My dad is not happy these days because that is exactly what this Government has introduced—a type of means test which says that certain senior citizens will not get their old age pension cheques in the future. That is what

it means; that is what they have done. The people of Canada have been misled.

On March 7, 1984, the Prime Minister said: "Our position is simple and straightforward. We are in favour of universality in social programs, and it shall not be touched". Then, not long ago, on October 15, 1988, in Summerside, P.E.I., the Prime Minister told a group of seniors: "Let me say a special word to the senior citizens. In the future Canada will be doing more, not less, for all of you. As long as I am Prime Minister of Canada social benefits, and especially those for the elderly, will be improved, not diminished by our Government which is committed to social justice and fairness for Canadians".

The Prime Minister was not telling the truth. There is no other way to say it. I hate to use that term to describe the Prime Minister of our country. However, he told senior citizens that he would never introduce a program where they would not get their old age security cheques, and he has done just that. Some 128,000 pensioners in Canada will lose part or all of their old age security cheques as a result of this Budget, what they call the claw-back provision. They will have their pensions or part of their pensions clawed back, as the Minister of Finance has described it. As far as family allowances are concerned, 575,000 families will have all or part of their family allowances clawed back. That is the reality.

For the moment that is what this Budget does, but we know that there will be another Budget next year and the following year; there will be a Budget every year into the future. While 128,000 pensioners will be hit as a result of the 1989 Budget, ten years from now, if nothing else changes, the number will increase to 300,000 and in twenty years over a million pensioners will have all or part of their pension cheques clawed back by the federal Government. Those are the figures of Statistics Canada.

There is another sinister element. Today the Government has said that if they make in excess of $50,000 it is clawing back their old age security cheques. What will be in next year's Budget? Will it lower that amount to $40,000, to $30,000 and then to $25,000? Why not? Why should we trust this Government to do anything but that? It promised our seniors that it would never do what it has just done.

We do not have enough paper in this place to list all the broken promises we have seen from this Government in the last four years. Why would any pensioner find any comfort in a Government saying that it is $50,000 now and that is it? It has not said that, by the way; it has given no assurance that that is to be the cut-off. Today it is $50,000. Next year it could be $40,000 and $25,000 just as easily. Once this idea of universality is broken it is easy to erode it further. I am sure that $50,000 sounds like a lot of money to people today, but with the inflation rate going up every year teachers who are not making $50,000 today will be making more than that with cost of living increases and they will not get their Old Age Security cheques. Nurses will not get Old Age Security cheques. Tradesmen will not get Old Age Security cheques. People working on trains, planes and ships will not get Old Age Security cheques. That is precisely what this Government is saying today.

The Government wants to shatter the whole concept of universality where everyone is treated fairly, equitably and justly. Now there will be a means test. If a person makes a certain income he or she will not get what other Canadian citizens will receive.

This is called harmonizing with the United States. It is that part of the Free Trade Agreement aimed at harmonizing the social programs of Canada, not with a progressive country in western Europe but with the United States of America. The U.S. does not have universality in its pension system, nor universality in terms of its health care or hospital care. Yet, the Government has begun the process of making programs like those in Alabama, Tennessee and Florida. Once Canadians realize what is happening to them, I do not think they will accept it for one minute.

There is something extremely cruel going on here, extremely underhanded and extremely sinister. Once the Government says that it is to abandon the universality attached to pensions—and that has been done—and that it is to abandon the policy of universality attached to family allowances, what is next? We can only speculate what is coming next.

Will medicare be next? Will the Government say to you, Mr. Speaker, "you make $50,000 a year; when you go to the hospital or to a clinic you had better take your credit card or cash because unless you are prepared to pay for your health care, you are not going to get any". That is what is next; the writing is on the wall.

What about education, Mr. Speaker? When you send your children to Grade 5 and you are making $50,000 a year, why don't you pay extra for their education? You can afford that. What about police protection? What about ambulance service? You can pay for that. Where does it end, Mr. Speaker? Once you break this sacred trust, once you break this commitment to universality,

anything is up for grabs. Does it end with hospital care? Does it end with education?

What this Government has decided to do is move our country toward social services based on charity, that those most in need must make their case and prove to the Government of Canada that they are in need. This is language it uses as a result of advice from its corporate friends.

Its corporate friends have said that we cannot afford these social programs and that we should target them programs to those in need. If you can prove, Mr. Speaker, that you are needy, if you can prove that you are poor enough to need an Old Age Security cheque, then you will get it. That is where we are going; that is the end result of the process we have just begun with this particular Budget.

My dad is angry. He fought with others to ensure that a universal Old Age Security system was introduced in our country. He just filled out his income tax return; he is 85 years old, he has a modest saving, and he had to pay taxes this year. He asked: "Son, does Alcan Aluminium have to pay taxes with $320 million in profits?" I said: "Dad, I don't think they pay taxes. I don't have the exact figures because they are very hard to get. You must really dig to find out what companies pay any taxes".

However, here are some who do not pay any taxes at all. Alcan Aluminium is at the top of the heap. Then of course there is Royal Trust Co., Brascan, Trilon Financial, Power Financial, Hees International, Xerox Canada, Cadillac Fairview, Placer Development, Gulf Canada Resources, Confederation Life Insurance, Saskatchewan Mining Development, Total Petroleum, Bramalea, and Hudson's Bay. I could read a list of 89,000 profitable corporations that do not pay a single penny.

• (1240)

What kind of cruel Government would say to Alcan Aluminum that it can make $300 million in profits and not have to pay a single penny in tax? However, presumably my dad is going to have to pay taxes and now he is going to find that his old age pension checks will be clawed back by the Government. That is the type of country that the Conservative Government has created. It is wrong, but why would we be surprised?

Those of us who are interested in history have read what has gone on in the past. Today the Conservatives are only doing what they have always done. Back in 1984, the very first thing the Government did was to try to reduce pensions. For some reason, the Government does not like pensions. It tried to deindex pensions so that senior citizens would receive less than they deserved.

I would like to share the following story with you, Mr. Speaker, because it tells us why the Conservative Government is doing this dastardly deed against senior citizens today. In 1925 we had a Liberal minority Government. The forerunners of the New Democrats at the time stood up and said that we need to have a pension in this country; if a person struggles, works, and contributes their whole life and retires at age 65, on behalf of the people of Canada they should receive a pension to ensure that their later lives are continued in dignity. The Conservatives in the House of Commons thought that this was terrible. They said that they could never consider an idea of a pension to a senior citizen. The Liberals were not sure what to do, but they introduced the Bill.

It was a minority Government in 1926 and the Liberals introduced the Bill and supported it, as did the forerunners of the New Democrats. But it was opposed to the last Conservative in the House. Every single Conservative stated they were against pensions. They were asked why they were against pensions. They stated that if we give pensioners any money, their children will escape their obligation to care for their people. They also stated that there are older criminals out there and if a general pension cheque is sent out it would mean that some criminals would actually get a pension cheque. They also stated it would encourage senior citizens not to save for their retirement years. Every single Conservative was against the concept of a pension.

Interestingly enough, it went to the Senate. It passed through the House of Commons because of the New Democrats of the day and the Liberal Government of the day. Then it went to the Senate where the Conservatives had the majority and it was stopped dead in its tracks. They stated that they would not pass the legislation.

An election was called and the Tories were trounced completely, and an old age pension Bill was introduced. The Tory Senators still opposed the idea but they felt they had an obligation to let it through.

From the very beginning, Conservative Members of Parliament and Conservative Senators opposed the idea of a pension on principle. We ought not to be surprised today when we hear the Government stating that it is going to begin clawing back pensions. This year it is going to claw back 128,000, and more and more as the years go on.

Canadians will not forget this long list of problems. Underlying the principle of universality is the explicit social contract that public programs and public services will be available to all and that each of us will pay according to our ability to pay. Everyone will receive an old age security cheque, and those who are wealthy will pay more tax; those who are poor will pay no tax. That is not what we have in this country. We have a very goofy system. In our country, not everyone pays tax. Many millionaires do not pay tax at all. It is interesting to look at what upper income people have experienced over the last years of Tory Government.

In 1980, under a liberal Government, the tax rate for the highest income earners was 43 per cent. In other words, a wealthy person would pay 43 per cent income tax. The Liberals dropped that down to 34 per cent. They said the rich were paying too much. In 1987, the Conservatives dropped it to a 29 per cent tax rate. It does not matter whether a person makes $200,000 or $200 million, he or she pays 29 per cent. It is absolutely fascinating that under the Conservative Government the top 1 per cent of wage earners, the very rich, have seen their taxes go down during the Tory Government administration, and the very poor and average Canadians have seen their taxes increase by hundreds of dollars.

In closing, with this Government we have had a long history of lies, broken promises, an extended pattern of half-truths. The pensioners of Canada will not forget what the Government has done to them. The families of Canada will not forget what the Government has done to them. One of Canada's most positive aspects of citizenship has now been abandoned, and that is the principle that regardless of who you are and what income you have, you are entitled to an old age security cheque.

Mr. Deputy Speaker: On questions or comments, the Hon Member for York South—Weston.

Mr. Nunziata: I would like to ask the Hon. Member who has just spoken to give me his thoughts with respect to the over-all picture, if we put this particular Budget into perspective, given the actions of the Conservative Government since 1984. I wish to ask the Hon. Member to speculate on what Canada might be like in 20 or 30 years time when he and I will be senior citizens and have children and grandchildren.

For example, can the Hon. Member comment on the fact that a few years ago the Government did away with the Foreign Investment Review Agency? In the last Parliament we entered into a Free Trade Agreement with the United States that would literally tear down all economic barriers between Canada and the United States.

As the Hon. Member has put it, with this particular Budget the Government has started to claw back pensions and family allowances so that they are no longer sacred trusts. The Unemployment Insurance Program in Canada has been privatized. Part of Air Canada was privatized in the last Parliament, and we understand the Government intends to fully privatize it. Passenger rail service in Canada may very well become a thing of past.

I ask the Hon. Member to put all these decisions into perspective. Canada is the pride of the world because of these very things. We have a health-care system that is second to none in the world, and an education system that is second to none. What impact will Government policies have on this Canada that is loved throughout the world in terms of our quality of life and in terms of the collective compassion of all Canadians?

It seems to me that given the actions and the agenda of this particular Government, that agenda being one of dismantling Canada as we know it piece by piece, can he speculate on what Canada may be like in 20 or 30 years time?

Mr. Riis:: I appreciate the question of my hon. friend. I must say when one projects into the future, particularly the next four years, one becomes very concerned indeed. We do not know what we can trust with the Government.

I respect the Minister who is in his place at the moment and who spoke earlier. He might say today that the Government does not plan to reduce the ceiling on pension clawbacks below $50,000, or he might say that they do not plan to continue dismantling all the social programs, and he may be correct. However, we have heard so many lies. We have had promises broken so many times that it does not matter what the Prime

Minister says any more. The people of Canada cannot believe him.

During the election campaign, many of us said our concern about the free trade deal with the United States was that there would be a dismantling of programs and that there would be a downward pressure on the high standards that we have accomplished in this country to approximate those found in Tennessee, Texas, or South Carolina. The Prime Minister stated that regional development programs, pensions, or family allowance would not be touched. He went on to talk about all the things he would not do. However, when we look at the Budget we see that he has done them all. The Prime Minister has done everything he said he would not do. He has broken promise after promise. We will take no comfort from anything the Prime Minister says. Obviously he does not mean what he says or does not know or understand what he is saying.

• (1250)

My hon. friend asks what the future will be like. We have struggled for decades to build a rather unique home for Canadians. We have had a very high standard of living. We have had peace of mind because of some very well developed, thoughtful and sophisticated social programs. For instance, someone retiring at age 65 would get a pension. A person raising a family would get a family allowance cheque. A person who is sick or injured would go to the hospital and be cared for.

As a result of the present Government, we are seeing that elements of those systems are no longer in place. Some 128,000 senior citizens will have to give back their Old Age Security cheques. Over half a million families raising children will have their family allowance cheques clawed back by the Conservative Government. Where will it end?

Actually in the good old days we used to make decisions about the future of our country. In cities like Vancouver, Kamloops, Toronto, Montreal and Regina, we actually made decisions about our country because we had some control over the companies in our economy. As a result of the sell-out in the Free Trade Agreement decisions about our children's future will not be made here in Canada but in Omaha, Los Angles, New York, Dallas and Houston.

I doubt if the Texans in Houston have our children's concerns at heart when they make investment decisions about whether to close a plant, start a new marketing line, or do research and development.

We have built and developed a system through decades of hard struggle to make this a country one of which we are proud to be citizens. We are seeing it being dismantled by the Conservative Government. These programs are being eroded and dismantled day after day so that the Prime Minister can fulfil his dream that one day we will be part of the United States and our programs will be like those in the United States where they do not have universal health care or a universal pension system. This is what the Prime Minister must want, because that is what he is trying to accomplish.

Mr. Nunziata: Mr. Speaker, with every crime there has to be a motive. There has to be a *mens rea*, as they say in criminal law. There must be a reason why one wants to commit a particular crime.

I suggest to the Hon. Member that what the Government is doing with respect to the future of Canada is a crime, given what has taken many years to develop. Could the Hon. Member explain what the Government is doing? I cannot for the life of me understand what that motive may be.

The Government talks about the deficit. Deficit financing has been with us for some time. We also know for a fact that when the Government came to power the debt was approximately $170 billion. In five short years that debt has almost doubled. We have a situation where the Conservative Government, led by the Prime Minister, is the author of half the national debt.

Given that the annual deficit is its major preoccupation, will he comment on the fairness of what the Government has done in terms of asking Canadians to shoulder the burden while certain Canadians have been forced to shoulder more?

With the size of any federal constituency in Prince Edward Island, for example, the impact is absolutely devastating. Will he comment on the fairness, equity and economic justice, given the motive of the Government?

Mr. Riis: Mr. Speaker, I appreciate my hon. friend's question. In my mind the motive is clear. The Government committed itself to President Reagan to dismantle the country.

The Conservative Party introduced CBC and now it is trying to get rid of CBC. It introduced Air Canada and now it wants to get rid of Air Canada. It introduced VIA and now it wants to get rid of VIA Rail.

There is a long list of what it means to be Canadian. Slowly but surely the Government is ridding us of all the vestiges of what being Canadian is all about.

As my hon. friend says, the Conservatives have virtually doubled the debt of the country in five short years. The Minister of Finance says that the reason for all these cruel, heavy-handed, unjust provisions in the Budget is to reduce the deficit. He tells us in the next breath that the deficit will actually go up this year and next year. One must ask what is the motive. Why is the Government causing such far-reaching devastation to the country?

It is simple. This is stage two of the free trade deal with the United States. Our Prime Minister promised President Reagan that he would try to make Canada like the United States. He promised that he would try to drive down and depress our quality of life to approximate that quality of life in the southern states. That is what he promised. Unfortunately for Canadians who were misled, that is what he is doing.

[*Translation*]

Mr. Jean-Claude Malépart (Laurier—Sainte-Marie): Mr. Speaker, the motion moved today by the Liberal Party condemns the Conservative Government for doing a hatchet job on social programs and for attacking and in fact putting an end to the universality of these programs. We must remember that we have three major social programs in this country that are cherished by all Canadians and are universal: old age security pensions, family allowances and medicare, which is universal and free.

Mr. Speaker, we must recall that these programs are not welfare. They were not given to us as a kind of charity. There was no means test to be eligible for old age security, family allowances or health care across this country.

Canada's seniors are right when they say that universality is on the way out as result of the surtax on old age security and family allowances. An editorial in *Le Devoir* said that this spelled the end of universal social programs. Some people will say that the Government's hypocritical approach does not deprive social programs, old age security or family allowances of their universality. I believe this is the beginning of the end of universality, because before these proposals were made, all Canadians aged 65 and over would receive their old age security pension cheques, and at the end of the fiscal year, when they did their tax returns, they would add up their old age security cheques, their RRSP income, their investment income and rental income. There is no justification for a surtax on old age security, because these benefits are already more highly taxed than income from an RRSP which itself is tax free.

What the Tories are proposing this year is an all out attack on old age security cheques, and the Minister of Labour (Mr. Corbeil) says: those earning $50,000 or more. I am defending people with that kind of income, because tomorrow, they will go after the $10,000 group.

Some Hon. Members: Oh, oh!

Mr. Malépart: Mr. Speaker, who are these people with an income of $50,000 or more? They are the fathers and mothers of most of the Members in this House. They are Canadians who are now 65 and who raised their children in some very difficult circumstances. These are the families, the elderly, who had to pay at the time because there was no medicare hospital insurance. What the Minister of Labour does not know is that from 1952 to 1972, these senior citizens paid a special tax to be eligible for universal social programs.

I know the Minister of Labour is not aware of that—he does'nt know.

• (1300)

As we saw today, those people accepted to pay a special tax in order to qualify for a program that is now taken away from them. How can people trust this Government after such actions?

Mr. Speaker, senior citizens today—but this is the second time this Tory Government is attacking Old Age Security Pensions. They started with deindexation, but thank God and the Liberal Party and senior citizens, after seven weeks of fighting during which all Conservative Members expressed their support for deindexation after what Mrs. Denis told the Prime Minister on Parliament Hill—Charlie Brown!—he had to apologize

on TV and his Minister of Finance had to make amends and say it was all a mistake.

Well, once more you're making a mistake, you Tories, and once more you misled the people. The 65-year olds. Universality was established because every person who worked all his or her life and paid taxes, who painstakingly put money aside, who even paid a special tax during 20 years to be entitled to universality, those people should not be deprived of it.

Moreover, this Tory Government starts at the level of $50,000 a year or more, even though this does not even reduce its deficit. Next year, it will lower that to the $30,000 income level, and the year after that to $20,000. And it makes no difference which Government is in power. Just as income tax was meant to be a temporary measure but has become a permanent fixture, the Minister's surtax was temporary. It is now permanent and has been increased, Mr. Speaker.

And now they attack people with $50,000 yearly income—and I am not speaking of my constituents. If today's poor families, today's poor senior citizens do not join forces with everyone else to make the Government relent on its attack against social program universality, the next victims will be those with a $30,000 yearly income, and after that those with $20,000.

We have seen that before with respect to other programs, Mr. Speaker. When the universal Old Age Security program was implemented it was only fair to the men and women who had worked for hours on end during their active lifetime, they had paid their taxes and they rightfully expected to be entitled to OAS benefits at the end of their career. The guaranteed income supplement was just another way to make life easier for less fortunate elderly Canadians. The whole program was designed to help as many people as possible.

But again the Government is misleading senior citizens. Not only the Prime Minister, him and his mother. No a single Conservative Member here would dare stand up and say he or she did warn older people that some of them would have to pay back their OAS benefits. Not one of them told the people.

Here they are again telling us they take from the rich to give to the poor, but that is not true, Mr. Speaker. Had the Government said it would raise the guaranteed income supplement paid to people living under the poverty line by taking back $300 million from others earning more than $50,000 a year, I would have said that the Prime Minister (Mr. Mulroney) was not pulling the wool over the eyes of Canadians.

But it just is not so. The Government grabs that money so the banks will not have to pay their fair share to reduce the debt and lower the deficit.

Mr. Speaker, that is the kind of approach and policy which make people lose confidence in their Government and their politicians regardless of their political persuasion.

Let us consider family allowances and family policies. One of the problems facing Canada and Québec is the declining birth rate. We all know how much it costs to raise a family these days.

When the family allowances program was launched it was designed to help families with children, as opposed to childless couples. Now it seems the Conservatives want children to come only from poor families, they do not seek to help middle-income families.

I would suggest this is why Québec Liberal Government Family Minister Thérèse Lavoie-Roux said that the Budget of the Minister of Finance is an anti-family Budget. We remember that it maintained de-indexation of family allowances and lowered the child tax credit eligibility threshold. It has also recently imposed a special tax on family allowances and cancelled plans to increase child care spaces, which was the most important thing in that area.

Mr. Speaker, I agree with Mrs. Thérèse Lavoie-Roux that it is an anti-family Budget. And now that the declining birthrate is a problem it is not a good time to take money away from families with children. It should be the opposite: we should encourage young couples to have children by helping them with the extra costs involved.

Mr. Speaker, health and hospitalization insurance is another program that is free and universal. Health Ministers throughout the country, be they Liberals or Conservatives, are not fools. Before the Budget was tabled, they all sent the Minister of Finance an SOS saying that his 1986 Bill C-96 resulted in a $5.776 billion cut in the health and hospitalization insurance funding program. Hospitals have had to close beds and deny treatment to patients in order to make ends meet. You have people suffering, people who need a heart bypass operation but who must wait a year; some even die

before being admitted to hospital because there's not enough money.

In its Bill C-96, the Government cut $133 million in Newfoundland, $29 million in Prince Edward Island, $201 in Nova Scotia, $162 million in New Brunswick, $1,479 million in Québec, $2,081 million in Ontario, $242 million in Manitoba, $236 million in Saskatchewan, $549 million in Alberta and $663 million in British Columbia. Not only did that heartless Minister of Finance—we will never be able to find him a heart for a bypass operation—not only did that inhumane Minister ignore the problems in the health and hospitalization sector, but he also tried in his Budget to reduce by one per cent the federal contribution to the health system.

The 1989-90 Estimates of the President of the Treasury Board call for a $160 million cut in funding for hospitals and health services in comparison with 1988-89.

Provincial Health and Finance Ministers, be they Conservative or Liberal, as well as Senator Paul David, a Conservative Senator who is also an eminent heart surgeon and the founder of the Montreal Institute of Cardiology and who knows what he is talking about since he is no Bay Street broker, said, after an investigation into the matter, that if emergency rooms are overcrowded, if there are long waiting lists throughout the country, if people must wait for treatment due to a lack of space, if hospital equipment is obsolete, if people in some parts of the country are at a disadvantage because local hospitals do not have the equipement required to save lives or to treat people and alleviate their suffering as much as possible, it is because there is not enough money.

Senator David is not a political schemer. He is a recognized specialist in his field.

• (1310)

And here again, the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) are insensitive to all these aspects. It is the same as in 1985 when this Government decided to tax all drugs, even those used by diabetics who have to give themselves an injection with a syringe every day to survive. For the Conservative Government, for the same Finance Minister, it was no big deal taxing them. Taxing drugs that cardiac patients and people with respiratory disorders need to survive was not serious. For the Conservative Members, that was not an issue. After three weeks of struggle with my colleague from Hamilton, the Finance Minister had to admit that he was wrong. What he had done was inhuman. He had to go back, withdraw his tax on all drugs for people with diabetes, cardio-vascular diseases and respiratory disorders.

Mr. Speaker, it is still time. The Minister of Finance will have to admit that the most shocking thing in his Budget is the attack on the sick. And today, I am in a position to speak about it, because before, I had not known sickness. I know what it means to go to a hospital and see people in the corridor. I know what it means to need treatment to survive, to have one foot in the grave, and to have the hospital tell you that they cannot admit you this week. You will have to wait till next week. They had to close 88 beds.

I do not know how that affects you, but the Minister of Transport (Mr. Bouchard) had the same experience I did. He too knows what it is about. There are people who could be cured without the slightest suffering because of new discoveries, but for lack of money, because the Conservative Government prefers to spare our banking system, would rather not tax the banks, would rather not raise the share of tax that business has to pay—it prefers to sacrifice people's health.

And when I see the Minister of National Health and Welfare (Mr. Beatty) tell us that the people will continue to defend social programs if they do not get them— I can tell the Minister of National Health and Welfare that he is not often out in the field, he does not go to disadvantaged communities. You just have to look at Québec, at the cuts the Government made to welfare payments.

You did not hear the former mayor of Anjou come to the defence of people on social welfare. Of course not, they do not worry because they have no such people, they live in a small world of their own. As a result of bad prejudices concerning these people, the unemployed people on welfare, it is true that in our system there are bad citizens like the rich who cheat on their taxes, but they are no worse than the others.

The minute people realize they will be working all their lives and paying taxes, yet not be entitled to OAS benefits, it stands to reason they will not defend the system because they will feel they have been treated unfairly.

We had more of the same when the present Minister of Transport held the Employment and Immigration portfolio. He decided that people who lost their jobs no longer qualified for unemployment insurance benefits, yet these people were getting what was coming to them, as employees they had paid their share of pension contributions as had their employer, but again the Conservative Members kept saying not to worry. After arguing with them for 17 months the Government finally admitted they were right and had to pay unemployment benefits back to 47,000 claimants who were entitled to that money.

Today still the Government practices discrimination. People are told: If you pay your premiums then lose your job and seek other employment you are entitled to unemployment insurance regardless of your income.

Right now a rich man who gets $350 from his RRSP or from a tenant is entitled to full unemployment insurance benefits, but not so the ordinary worker who withdraws $200 from the pension plan to which both he and his employer contribute. Who would have thought a Government would come into office and do something like that! At one time or another some people may have said it was nothing to worry about. We see the same thing coming today. They begin at the $50,000 bracket, nothing to be concerned about, they are going after people earning in excess of $50,000, Mr. Speaker, but it is just a question of time before the ceiling drops down to $40,000.

Already the table is not indexed. Automatically, by income levels, this will come down, and the next target will be $30 000. And then, quite simply, the kind of Minister of Finance we have today will say: Look now, we already established the means test for the guaranteed income supplement or the child tax credit. So we might just as well extend that means test to everything else and so eliminate those whose income tops $15 000 or $20 000. Certainly someone will say: You mail a cheque, and the money spent on mailing old pension cheques we might as well save that rather than claiming it back at the end of the year!

In conclusion, Mr. Speaker, I urge some Conservative Members to do as they did on other struggles I led. The Hon. Member for Abitibi was not afraid to rise in support of senior citizens and face his Government. I hope that some will rise, speak to the Minister of Finance and tell him not to touch the health care system. Everyone here has constituents who suffer, who are ill or who will be. We must defend those people who cannot come here on Parliament Hill to speak for themselves. This is what we are elected for.

Mr. Speaker, rather than have this charade of social program dismantling, the Government should have said: "We honestly want to improve social programs" and look after to the people who are most in need, and established a guaranteed yearly income program. But not this charade of attacking and destroying piece by piece the vital universal social programs. The people paid for them, not the Prime Minister.

Mr. Della Noce: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Duvernay (Mr. Della Noce) on a point of order.

Mr. Della Noce: Thank you, Mr. Speaker. I was anxious to hear the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) whom I respect greatly conclude his remarks since I did not want to interrupt him on a point of order. But I was a little surprised to hear him try and defend people with $50,000 plus income—

Mr. Deputy Speaker: This is not a point of order. Questions and comments. The Hon. Member for Lotbinière (Mr. Tremblay).

Mr. Tremblay (Lotbinière): Thank you, Mr. Speaker. I must admit that the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) speaks with more authority about senior citizens than about the Space Agency. And of course there is the emotional side with his references to the sick and to his own health, and we are of course aware of that situation. My comment was, and I made it when the microphone was still closed, that at last he was waking up. And in fact, Mr. Speaker, I would like to hear his comments because he was himself a Government Member from 1975 to 1984.

Does he realize what kind of legacy his Party left us in 1984? Mr. Speaker, perhaps I may give a short summary. During the previous 110 years, in other words, since Confederation, successive Governments had accumulated a total debt that was less than $20 billion by 1967, when we celebrated our centennial. About 3 cents of every dollar paid in taxes went to service the debt. In 10 years, Mr. Speaker, from 1975 to 1984, when the Hon. Member for Laurier—Sainte-Marie sat in this House, the debt soared to about $200 billion. Did the Hon. Member for Laurier—Sainte-Marie rise in the House at that time, Mr. Speaker? Did he rise in the House when the Energy Ministers of the time closed as many as three

plants in East Montreal, three refineries? We didn't hear him then.

Mr. Della Noce: Ten in Canada.

Mr. Tremblay (Lotbinière): Ten in Canada. Did he rise then, Mr. Speaker? Does he remember the kind of legacy they left us in 1984? About $200 billion. They left us a legacy to manage the deficit, to manage negative growth. That is what we were left by the Liberal Government. Did the Hon. Member rise then? When we introduced Bill C-26 in 1986, which provided benefits for widows and widowers, did he rise in the House to ask the Conservative Government why we didn't extend those benefits to everyone? I think he should remember that during the last 21 years his Government was in power, they never passed this kind of legislation for anyone. Did the Hon. Member for Laurier—Sainte-Marie rise then? Mr. Speaker, I would like to hear what the Hon. Member has to say and I had to wait until today, when the Hon. Member decided to wake up. However, there was a time when he should have spoken, and he did not.

• (1320)

Mr. Malépart: Mr. Speaker, the Hon. Member doesn't seem to have learned a thing, although this is his second term. I didn't ask him to rise in the House, I asked him to rise in caucus. I can inform the Hon. Member that in caucus, my Party proposed cuts in family allowances. However, we won in caucus. They were not cut. My Party's legacy was universal health insurance for everyone and universal pensions for everyone. The social programs we have today were introduced by the Liberal Party, not by the Tories.

Some Hon. Members: Hear, hear.

Mr. Malépart: It was Trudeau and Pearson. Members did not have to fight their causes here, they did so in Caucus where we were able to win our battles. We didn't need the Opposition to fight our battles. It is pretty obvious the Hon. Member has learned nothing in his second term. He was lucky to be elected on the basis of a pack of lies, like all the others.

He referred just now to Bill C-26 which continues to discriminate against all elderly Canadians between the ages of 60 and 64 who are single or separated and who live in his riding. He did not defend them. And he could at least have asked his Minister to give to the poor the money he is taking away from the rich. These people are poor, and he could not defend them!

M. DeBlois: Mr. Speaker, I always listen with interest to the Hon. Member form Laurier—Sainte-Marie (Mr. Malépart) because he is a good speaker and sometimes even eloquent. But I would like to remind him of the very interesting opinion expressed by the National Council on Welfare in its comments on the Budget. The problem is that we are saddled with a huge debt which must be spread as equitably as possible by any responsible government. In the Budget, the Government is asking people who can afford it most to make an effort. And I must admit that I am surprised and a bit disappointed to hear the Hon. Member from Laurier—Sainte-Marie, for whom I have a lot of respect, stand up for the rich.

We are trying to make a transfer, and here is what the National Council on Welfare had to say: "The advantage of the claw-back is that it saves money not by tampering with the principle of universality, but rather by increasing the progressivity of social programs. Most defenders of universality believe that benefits should be distributed in a progressive fashion: as the income rises, the benefits diminish, and vice versa. The claw-back does no damage to universality. Old age pension and family allowance cheques would still go out to all the pensioners and parents, regardless of their incomes, but it does reduce the net value of benefit to upper-income recipients". That is what we have done. We are merely asking people whose net income—we are talking about net income not gross income—is over $50,000 a year to make a little extra effort to reduce the debt which, if nothing is done now, will reach in a few years such proportions that the social programs we enjoy now will have to be discontinued. I wonder what he Hon. Member from Laurier—Sainte-Marie has to say about that.

Mr. Malépart: Mr. Speaker, I appreciate the question. I have never denied the existence of a debt or deficit problem. Yet, I suggest this Tory Government is wrong to ask sick people to share this burden. When a man gets sick, he has no time to ponder whether he can afford to be sick. He urgently seeks treatment. The Goverment should never use sick people as hostages.

Concerning the affluent people earning $50,000 and more, it is true that they do not need me to defend them, but having dealt for 25 years with social issues, I know that governments always start with the rich and finish with the poor. Remember the time when the PQ Government decided to reduce to $130 the social assistance paid to young Quebecers because it felt that these people were lazy and that eventually they would get a job. What happened? These young people began shooting drugs and got involved in prostitution to survive. That is only the start! If you told me that there are no other areas where the Government could get money, that all affluent people pay their fair share of income tax, that all corporations pay their dues, I would reply: We must change the social programs. If we want to save on social programs, let us establish a guaranteed annual income.

We have twelve social programs, especially the way you operate, to provide assistance to people. Which means that if we were to put together in the same group the mothers with children, the aged and the unemployed, we could considerably reduce the overhead and give more to the really poor people. But what you are proposing is not a solution to improve our social programs but strictly a means to reduce your deficit by taking away money from those people you should leave alone. Senior Canadians are not responsible for creating this deficit! You would like to go to these people who are 65 years of age and who have lived sparingly all their lives to be able to save a little money and today— Our generation seems to be saying: Our parents are used to paying through the nose. Let them continue to pay, because we are not going to. Personally, I object. My parents have made enough sacrifices. Its our turn to make sacrifices and to attack the affluent, the banks, the really rich, in order to get rid of this debt forever.

Mr. Deputy Speaker: Order, please! There are only two minutes left. The Hon. Member for Duvernay (Mr. Della Noce) may use up one, than the other Member for Laurier—Sainte-Marie (Mr. Malépart) the other.

M. Della Noce: Mr. Speaker, I definitaly want the record to show, what the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) said earlier. He claimed to be standing up for the people earning over $50,000 because he is afraid of what will happen some day to those who earn $10,000. I do hope his predictions are incorrect and that time will prove him wrong.

But I was most stunned by what he said after that. He maintained that only the fathers and mothers of Hon. Members of this House earn $50,000. Now I want to tell my colleague what my mother was left with after working her whole life. She is now in a hospital, in a home where she has to pay $860 per month even though she only gets $545 per month in guaranteed income supplement. With the provincial supplement, that amounts to $8,000 a year. So, you see, my mother does not belong to the group the Hon. Member of Laurier—Sainte-Marie was referring to. Let us talk about what she got from the social services your party gave us— It is too bad that you did not see things that way before, that the Hon. Member for Laurier—Sainte-Marie did not feel that way before, because what you left us is not much to live on, my mother only gets $8,160 a year. It's a good thing she has a son to pay the difference since it costs $860 per month! There might be others in a similar situation, I don't know.

Mr. Malépart: Mr. Speaker, Mr. Muffler here may not know that the Conservatives were against all the measures we proposed in order for his mother to get $8,000. But already, the Hon. Member thinks the benefits are not high enough and he is ready, probably because the rent at his mother's home is going up— The reason being that your government has cut health care services by another $200 million. If your mother is getting poorer, you only have yourself to blame for it!

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): I listened with interest to the speech of the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart), as I did to questions and his answers.

What surprised me most in the thirty minutes he spoke were the words: Your deficit! That is what he said, as we will read in Hansard on Monday: Your deficit! While we know very well, Mr. Speaker, that it is not our deficit, that it is the country's deficit that started with his Liberal Government which was in office for twenty years!

Mr. Speaker, let me answer the various points he raised. For one thing, Mr. Speaker, regarding medicare, we know the federal Government transfers money to the provinces mainly in two ways. First through what we call

the established programs financing and second through equalization payments to some provinces.

Mr. Speaker, it has been pointed out that the Budget we introduced is cutting by 1 per cent the increase in established programs financing to the provinces. That means the federal Government will make bigger payments to the provinces over the next five years, regardless of that $25 million reduction over that period. And the Budget does not change anything to the equalization payments that are made to some provinces, including Québec.

• (1330)

More important still, Mr. Speaker, the Canadian Government is transfering money to provinces but has absolutely no say in the way it is spent. Provinces can say and do whatever they want with the money we give them to build roads, schools, hospitals or whatever. We have no control whatsoever.

This is why the attack by the Hon. Member for Laurier—Sainte-Marie is absolutely ludicrous in that respect.

He referred to family allowance, old age security pensions, he said we set this at $50,000 this year but we would reduce it in the future down to $10,000. I suggest that before criticizing the Budget, a review of the comments it raised is in order. The first interesting comment came from the Finance critic of the Liberal Party of Canada, who said on March 21, 1989 that we should tax family allowance and old age security pensions, and they should be taxed back from the people with a certain income level. Yes, you heard correctly, this came from the Finance critic of the Liberal Party of Canada. He said so before the Budget: Tax old age security pensions and family allowance back from those who do not need them!

He also suggested, and we are in total agreement with him, the annual deficit had to be tackled. The annual deficit is a rather vague concept. What does that mean, an annual deficit, Mr. Speaker? The Canadian Government's annual deficit, is the amount it spends over and above the revenue. This means that for 25 years, every year, the Canadian Government has been spending, and I repeat every year, year after year, the Canadian Government has been spending more money than it took in. Over four years, we succeeded in reducing our deficit because when we came to power in 1984, we were left with a $39 billion deficit. This means that in 1984, under a Liberal Government, we as a nation spent $39 billion more than Government revenues. Over four years we reduced that to $28 billion. The accumulation of yearly overspending is responsible for our having today a national debt in the order of $320 billion.

Mr. Speaker, $320 billion is something much too large for many people to comprehend. Those $320 billion mean $3 million an hour. The national debt is growing at the rate of $3 million an hour, or $80 million a day. This is the problem we have in this country. And this is the legacy left us by that Party, the Liberal Party of Canada. This is what we inherited from them, Mr. Speaker, and we must deal with it.

Listening to the comments coming from the Opposition, all they say on any matter is: money, money, money, give more money away, spend more! What do we spend on in this Government, how is this Government being managed since 1984?

Of each dollar that came into our coffers here in Ottawa, 16 cents only are used for managing the country, paying for public service salaries, federal buildings, etc. Only 16 cents. On the other hand, 35 cents go to interest payments. Not to the debt, but to the interests on the debt.

[*English*]

Mr. Wappel: That is now, that was not in 1984. It has gone up. Paint a correct picture.

[*Translation*]

Mr. Vincent: The members opposite say it was 32 cents in 1984. There's nothing to boast about that. It's horrible. At 32 cents, I would be ashamed. I can understand why you went into hiding. There's nothing to boast about that.

Mr. Speaker, a lot of money, about 25 cents of each dollar, goes to the provinces. A lot of money is allotted to old age pensions, to family allowances, to unemployment insurance.

Members opposite are saying there should be cuts. We spend 16 cents out of every dollar on administering the country, and the reason there are no additional funds is that we use 35 cents out of every dollar go towards paying the interest on the monstrous debt which the party opposite started to accumulate. The opposition doesn't understand that, but Canadians listening to us do. They understand that if you earn $20,000 a year and spend $25,000, after twenty years, you will be $100,000 in the red. Canadian families have no trouble understanding that. They also understand that if you have a net income of $50,000 a year, you will still be well off even if you don't get the full amount of your old age pension or your family allowances. The claw-back will affect 4 percent of the 3,000,000 Canadians who receive an old age pension benefits. And only 2 percent will get nothing

or will have to forfeit the full amount of their pension. What income level are we talking about? To get nothing or to have to forfeit the full amount of your annual old age pension, you must make $77,000 net from other sources, $77,000 net, Mr. Speaker. The opposition says that people will lose their cheques. That is simply not true.

Citizens entitled to old age security pensions did receive their cheques last month, and will get them again this month, and next month, and even next year, but if their net income is over $77,000, they will have to pay back the amount of benefits they received when paying their taxes. But that only applies to 2 per cent of seniors in Canada.

You know, Mr. Speaker, for the last four years, every time a new budget was tabled, I have had the opportunity, as Parliamentary Secretary to the Minister of Finance, to visit each and every region in Quebec to explain the budget to the people. Everywhere I went, wether I met with the Richelieu club, the Rotary club, the Chamber of Commerce, the AFEAS, or seniors, I have always been asked the same question: Do you think it is right that Canada's former Prime Minister, who receives something like $100,000 in pension because he was Prime Minister, and I respect that, it's none of my business, but who earns enough—

An Hon. Member: He's entitled to it!

M. Vincent: —to live, do you think it is right that he should also receive old age security and family allowances benefits— He gets both of them. He is over 65 years of age, and has children under 18. Do you know what most people answered? No, it is not right! No, a person who is well-off, who earns over $77,000 a year in net income, should not be entitled to old age security and family allowances benefits.

Mr. Speaker, we should realize that the expressions "Old Age Security Pensions" and "Family Allowances" really mean that they are for the needy. I suggest that if I get a net income of $77,000 a year, I can do without an additional payment of $500 or $600 a month. This is something Canadian men and women understand. This is something Quebec men and women understand. Yet, the Opposition just cannot understand it, which is unfortunate, Mr. Speaker. It is unfortunate because a while ago, they tried to frighten people— The Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) was scaring everybody by saying: That is only a start he said, and it will get even worse in the future! Quite the contrary, Mr. Speaker!

I mentioned before that the Canadian Government will have to come up with $39 billion just in interests. We must find a way to stop this drain.

• (1340)

As the Liberal Party of Canada financial critic was saying, we must cut the deficit to prevent the national debt from increasing further; this way, we would have the necessary resources to set up new programs for Canadians. But if we fail to seize the bull by the horns this year and the years after, if we do not take major steps to reduce the annual deficit—the plan is to reduce it to $15 billion by 1993-1994—to reduce our debt, what the Hon. Member for Laurier—Sainte-Marie (Mr. Malépart) was saying is likely to happen. It is true that the Government would have no money for anybody or anything. There would be no more social programs. The Government would be satisfied with collecting the Canadian taxpayers' money and issuing cheques to pay the interests on the debts incurred by this Government. That's what would happen, Mr. Speaker. With 35 cents out of every dollar to pay interests, there is not a single family or corporation which could survive such a system.

Hence the importance of this Budget and at every level. Mr. Speaker, you must have noted in the Budget I am sure that there is a special tax on corporations. We are going to collect from major corporations a minimum of $1 billion in revenues every year. So, they should stop telling me that the Government is not asking everybody to do their share. The larger corporations are taxed. Banking institutions and financial services are taxed too, so that everybody is doing its share. The provinces will have to face a slower increase in their payments from the Federal Government; individuals will have an additional tax to pay. Corporations have one too. Everybody has to do his share, because this is the major problem of our country. When the situation is such that the International Monetary Fund tells us our debt and our deficit could lead to major trouble, I think, Mr. Speaker, we have hit the red light. Way back when we got the green light,

sometime later it turned yellow but now we are looking at the red light.

True, once again, because of this Budget and those measures, a senior 65 and older whose net income is over $70,000, I repeat over $70,000, will have to give back the excess old age pension he received. But suppose that, for some reason, the income of that same person is down to $15,000 the following year. He will have received cheques the whole time and at the end of the second year he will keep the full amount of the old age pension because his income will be under $50,000.

The Hon. Member for Laurier—Sainte-Marie said also that it was not indexed. Mr. Speaker, since 1984, there have been three or four increases in the federal sales tax credit and the child tax credit, and the old age pensions are upped every three months. You can see therefore there is no risk whatsoever that the income seniors are entitled to will be cancelled, lowered, whatever expression you prefer. There is absolutely no danger of that.

I think that for once—I have never seen it in four years—the Opposition should leave all partisanship aside and join forces against a problem that is not that of the riding of Trois-Rivières or Duvernay, but a national problem they created. They should work in co-operation with the Progressive Conservative Government to have this Budget adopted as soon as possible so that in the future we will be able to offer Canadian men and women the social programs they want and others they also long for.

Other programs could be implemented if we did not have to spend 35 cents of every dollar in 1989-90 to pay the interest. And we have not even begun to pay back the debt! The debt now amounts to $320 billion and increases by $3 million an hour. We have not even started thinking about reimbursing that debt.

I think, Mr. Speaker, that the Opposition should make an effort. Let's put partisanship aside and take stock of the situation. The Opposition should support our efforts. There is nothing wrong with an opposition party admitting that the Government has come up with a good policy. They won't die if they concede that a policy is good. In four years, I have never heard a member of the Opposition admit that we had done something right. Not once in four years! In 1988, the Canadian people recognized that we had done something right. And I think that it should teach the Opposition a positive lesson. When bills are valid and important to the country, they should admit that the Progressive Conservative Party is right in this case. Their credibility would automatically be reinforced. However, as things now stand, they always say no to everything. It is impossible to always say no. Say what you want, it's impossible!

Mr. Speaker, I realize that my time is almost up and I would like to conclude by pointing out that the family allowance eligibility threshold of $50,000 continues to apply and that the level at which one ceases to be eligible for family allowances varies according to the number of incomes and children. I hope these explanations will give some good ideas to members of the Opposition.

Mr. Bellemare: Mr. Speaker, I listened with interest to part of the presentation by the Hon. Member for Trois-Rivières (Mr. Vincent). I also heard him denigrate my colleague from Laurier—Sainte-Marie (Mr. Malépart), this good man who protects people in difficulty, who protects the poor, who protects the sick, who protects those in need! The Hon. Member for Laurier—Sainte-Marie wants to protect people who need to go to hospital, elderly people who need to be able to have a pleasant and decent life. I heard the Hon. Member for Trois-Rivières talk about the debt and suggest to the Opposition that we should not take sides, that we should support them and applaud them for what they have done over four years—

Mr. Speaker, I have only been here since last November 21, and today you must say, as in a boxing match, you do not talk about previous fights; the one that counts is now. We are talking about the next four years, the next four years of the Conservative Party, not about past years. Because I will remind the Hon. Member for Trois-Rivières, if he wants to talk about the last four years, that the debt in 1984 was perhaps around $120 billion. What was the debt in 1988, Hon. Member? And from whom did you inherit it?

There was a debt in 1984, but in 1988, what was it and where did you get the debt incurred between 1984 and 1988?

• (1350)

Now, the issue, Mr. Speaker, is that they want to pay off the debt on the backs of those who receive benefits or payments, senior citizens. The money you will save by taxing those who allegedly earn over $50,000 a year, instead of taxing those who make a lot of money, the rich—in short, why do you, the Hon. Member for Trois-Rivières, attack one of the social programs? And your target in attacking a social program is those people who earn more than a certain amount, but you know that over the years, the cost of living rises and some day, those who are considered poor today with an income of $20,000 or $23,000 will in a few years be making $50,000.

They may be the new poor then, when people will perhaps be earning $200,000 or $300,000 a year.

So I say to the Hon. Member for Trois-Rivières: What will you do with the money you save on social benefits that you tax back and with the money that you take from the provinces?

Mr. Vincent: Mr. Speaker, I want to point out that I did not denigrate my colleague from Laurier—Sainte-Marie (Mr. Malépart). I only said I did not agree with him, and I still do not agree with him. As to saying he is a saint man, we can argue about that some other time!

Mr. Speaker, the Hon. Member opposite said we should look at today's problems, not yesterday's.

How pleased I am to hear that, Mr. Speaker, that is what I said for twenty minutes. Our problem right now is the $320 billion national debt. I have been saying that for twenty minutes.

My colleague opposite just caught on. Am I ever glad! That is the problem right now, the problem we describe as a $320 billion national debt, 35 cents of every dollar to be paid in interests.

Mr. Speaker, that is the problem. That much he understands, but the rest of it is still a mystery to him, so I will go over it again.

I earn an income other than the OAS pension, I am 66 years old, my net annual income amounts to $55,000. So I say, and the people of Québec whom I met and Canadians generally say: Sure enough, we can tax back some of his OAS benefits and he will still be doing all right.

Mr. Speaker, I did say some of his pension benefits, because between $55,000 and $77,000 the amount I get will gradually decrease.

What happens when my net annual income exceeds $77,000 is that I get my pension cheque every month, but at the end of the year I simply pay back to the federal Government an amount equivalent to the value of those twelve cheques. A net income of more than $77,000 a year! I have always said and I repeat that we are speaking of "net income", Mr. Speaker.

An Hon. Member: We need that money.

Mr. Vincent: We need it because if we go on as the Opposition proposes, we soon will not even have enough money to help those who make only $5,000 a year. That is the thrust of the system. We have to take the money where it is and—

An Hon. Member: From the rich.

Mr. Vincent: —from the rich, I hope, and not from the poor! To take the money and give it to those 65 years old who do not have an income of $50,000!

That is the purpose of the Budget and that is what has to be done today, as my Opposition friend said, because of the debt they left us, Mr. Speaker.

[*English*]

Mr. Hovdebo: Mr. Speaker, the Hon. Member has made a number of passionate statements which suggest that the whole direction of the Budget has been to reduce the deficit and the debt. We all know that this particular Budget increased the deficit a little from what it was last year. It increases the national debt by $30 billion.

We have been been told by Statistics Canada that a 1 per cent reduction in the interest rate would reduce the deficit by $1.5 billion. A 1 per cent reduction in unemployment, that is, a 1 per cent increase in the number of people who work, would bring $2.2 billion into the coffers. Yet the Budget and the policy of the Government on interest rates and on cut-backs will increase interest rates and unemployment. The Government admits that the Budget will increase the unemployment rate.

Why has the Government not taken advantage of those natural ways of reducing the deficit, and consequently the national debt, rather than leaving interest rates high and increasing the unemployment rate? In that manner, there could be more dollars paid toward the deficit and the national debt.

[*Translation*]

Mr. Vincent: Mr. Speaker, let me thank my colleague for his question, since we have in fact dealt with thas aspect today. That is a very important point. The Canadian people wants to know.

We have to look at what happened in 1981-82 when there was a recession. The Liberal Government of the day said: Let inflation go up and let's not touch to the interest rates for inflation will inevitably go down again.

Mr. Speaker, we know what happened. Inflation reached 12 and 13 per cent and since it was too high they had no other choice than to raise interest rates to 22 and 23 per cent in an attempt to control it.

Our government accepted that responsibility. We told ourselves it was time to control inflation, and that increasing the interest rate was the way to do it. We knew that by doing so we would be hurting Canadians, but also the federal government! That goes without saying. But we acted in the best interests of our nation. It was the best solution: I think all Canadians would rather see the interest rate at 14 per cent instead of 22 per cent, as we have seen it before. When the interest rate reached 22 per cent, I was in business, Mr. Speaker, and I can tell you I worked very long days!

So, you have here the position of the government, the economic course of action we want to follow.

Finally, Mr. Speaker, the deficit will grow again this year, that's right. It will grow because the debt service costs, that is the amount of interests we have to pay, has increased by $6 billion, due to the fact that we have decided to control inflation by increasing interest rates.

[*English*]

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, it is with great sorrow that I must rise today to defend the principle of universality, a principle that requires no defence to those in pursuit of a just society. It is a principle which the Prime Minister (Mr. Mulroney) himself has so often referred to as a sacred trust. I say with sorrow because the Government, in order to fulfil its obligations under the Free Trade Agreement, is creating Canadian social policy in the American image. The Government is clearly attempting to graft the American version of social Darwinism on Canadian social policy.

• (1400)

The Liberal Party touched a nerve in the last election when it warned Canadians that the Tory free trade agenda was more than just a economic contract. It involved the destruction of the cherished social service safety net. At that time the Prime Minister assured Canadians that universality was not on the trade agenda and that no Canadian leader in his right mind would consider touching the sacred trust.

Well, the Prime Minister misled the Canadian people. The principle of universality has been gutted. The Government has undermined the very backbone of Canadian social policy.

The principle of universality lies at the heart of a compassionate state. It is the birthright of every Canadian to be provided with not just the basic needs of survival but with the foundation of a meaningful and dignified life. This is why Canada offers more than the catch as catch can programs of the United States, and this is why we fought so hard against the Government's plan to integrate the social programs of Canada with the United States.

But this is precisely what the Government has initiated. It has tried to make the job of the Minister for International Trade (Mr. Crosbie) that much easier on the eve of the subsidy negotiations with the United States. Universality in Canada is not as the Government seems to feel, an income supplement to the rich. It is a sacred contract between the legislators in this House and all the Canadian people. We have adopted universality as a national philosophy to ensure that all Canadians have equal access to a high standard of education and health care. It guarantees that provincial Governments, through federal transfer payments, undertake to provide a basic standard of living that encompasses a decent standard of food and shelter to those who are unable to provide adequately for themselves.

It is, in essence, a guarantee of equality of opportunity. It ensures all Canadians an equal playing field.

Let me quote from a speech that the Prime Minister himself made last October 15. At that time he said a special word should be said to senior citizens:

> In the future Canada will be doing more not less for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved not diminished by our Government, which is committed to social justice and fairness to Canadians.

I should point out that this speech was made in Summerside, Prince Edward Island. Perhaps we should ask the senior citizens of Summerside what they now think of their Prime Minister.

That this Government has seized this moment to end the principle of universality when we are clearly on the cusp of an economic downturn indicates just how hollow the Government's promises really are.

The Government's action also raises a larger issue. If universality is no longer considered a sacred trust by the Government, what is next on the Tory agenda? Is it health care?

Policies can be set and replaced, but once traditional values and principles are abandoned they are very difficult to reclaim. This Budget proposes that Canadians repay old age security and family allowances at a rate of 15 per cent of the individual net income exceeding $50,000. The level of benefit received by families and individuals will no longer be equal but will be dependent upon the established threshold. These measures clearly violate the long-standing tax policy known as horizontal equity. This concept proclaims that individuals are treated equally under the tax system and that individuals at the same level of income should be taxed at the same rate. However, this Budget treats old age security income as extraordinary income. It is treated differently from other forms of income.

To take an extreme example, a senior citizen who earns $75,000 will pay more in taxes than a 64-year old who earns the same income. This is because under the proposed system, old age security income is subject to a higher tax rate. The senior will have part of his income taxed back at 100 per cent while the 64-year old will still only be subject to the top rate of 29 per cent before surtaxes. How is that for fairness?

I would like to read a brief passage from an article by Marjorie Nichols in the *Ottawa Citizen* dated April 29, entitled "Wilson's fiscal axe cuts heart of social programs". She writes:

> It is sophistry to argue that programs that eliminate all benefits to some are still universal. It is as silly as the Prime Minister's foolish attempt Friday morning to argue that ending universality will help the poor. It won't. The poor don't get any more. The Government just pays less, that's all.

She concluded with the statement:

> Don't trust a Tory to tell the truth about a social program.

Well, bravo Marjorie. That is precisely what Canadians are thinking and saying.

Family allowances are not a gift. They are needed to cover the extra cost of living in raising children. With the Minister of Finance's new regressive sales tax, this benefit will be needed more than ever.

The family allowance cheque is of particular significance to women. Because of the changing social structure in Canada today, full-time homemakers and mothers receive no recognition. They are often treated as non-productive, second-class citizens. Probably the only real source of recognition they get for the work they do is their family allowance cheque. It is probably the only cheque they will receive in their own name. I repeat, this universal right is not a gift, it is an integral part of the Canadian social identity.

Even in strict financial terms, it is difficult to rationalize the Tories' attack on the family allowance system. The family allowance program is one of Canada's cheapest in terms of over-all expenditures. In fact, expenditures have decreased in the past few years due to changing demographics and due to the previous tax measures. The cost of this program will be $2.6 billion this year as opposed to $2.9 billion in 1984-85.

Family allowances are already considered taxable benefits. Already approximately 30 per cent of family allowance benefits are returned in taxation revenues, so this additional shot at middle-class families is clearly outrageous. Canadians have always accepted the concept of equal access to equal benefits at all income levels as part of the Canadian social ideal.

• (1410)

Successive Liberal Governments have tied this fundamental principle of universality to a progressive tax system. It was this system which ensured a fair distribution of social benefits. The Tory view of equitable distribution is clearly quite different. The Government has launched an all-out assault on the family allowance and Old Age Security.

For the first time, the Government has directly linked a tax back rate of a social program to the benefit received. This linkage alone is enough to expose this Government's notion of universality as a sham. However, when coupled with other regressive tax measures put in place by the Government, it is a disgrace. This is an extremely dangerous precedent. Canadians are concerned about where these measures will take us.

Today, the Tories have set the claw-back threshold at $50,000. However, this Budget has not pleased the Government's corporate backers. They are disappointed that the Government has failed to reduce the deficit. They cry for more. Perhaps the Tories will feel next year that once the principle of universality has been tapped there will still be water in the well and they will set the threshold at $40,000.

Where does it stop? The urge to cut back even further will become irresistible. Where will it end? This Government has totally lost its credibility.

I would like to conclude by quoting from a speech made by the Tory Whip, the Hon. Member for Calgary West (Mr. Hawkes), who said while debating a similar related issue in this House in 1983: "This particular piece of legislation is an attack on the principle of universality and we are voting against it. Every speech we have made is in accordance with that principle".

This is a time for mourning, because we have not heard from one Tory in this past week who has had the courage to speak out on the principle which obviously appears to have once been one of the mainstays of Tory philosophy.

[*Translation*]

Mr. Speaker, since World War II, Canadians have given themselves a universal system of social programs such as family allowances, old age security pensions and medicare. Universality means that all Canadians have access to the same quality of services, regardless of their income.

However, universality is attacked for the first time in the last Budget presented by Mr. Wilson. When the principle of universality is no longer respected, the government has the discretionary power to decide who is going to have access to social services and who is not. This is a very dangerous precedent. The government will decide who is going to receive the money that is paid by Canadian taxpayers.

Mr. Speaker, this strange and injustifiable notion of social justice that the Conservatives have is not consistent with that of most Canadians.

[*English*]

When this Government tried to deindex seniors' pensions, thousands of seniors rose up in protest. Now, with the introduction of the new agenda all Canadians will rise up in anger. We will not be betrayed again. The true Canadian social vision will prevail.

Some Hon. Members: Hear, hear!

Mr. Redway: Mr. Speaker, I listened with care to the Hon. Member's comments. I listened with mounting concern and mounting disturbance over the impression which she has been trying to convey to Canadians. I speak as one who some four and one-half years ago stood up in the House to question the Government with respect to its stand on the principle of universality. I speak as one who spoke out publicly to question the Government on its move to partially deindex old age pensions. I speak as one who felt the concerns of the Whip of my own Party, and the concerns of others in my own Party, when I spoke out on those issues.

However, I spoke out on those issues because I have been firmly committed to the principle of universality. I have made that statement quite clearly and quite strongly with my constituents and with the Canadian people.

This particular proposal that is before the House clearly observes the principles of universality. There is no question about that.

Some Hon. Members: Oh, oh!

Mr. Redway: The Hon. Members on the other side can hiss, boo and shout and try to obscure the facts. However, they cannot obscure the real facts. Every person 65 years of age or over who applies for the old age pension has in the past received an old age pension cheque and will continue to receive an old age pension cheque.

As the Hon. Member indicated, the Prime Minister (Mr. Mulroney) said that old age pension benefits will continue to increase. In fact, those old age pensions continue to be fully indexed and continue to increase each year with the cost of living according to full indexation. What has happened is that as part of a progressive tax system there is now being applied a tax to people with higher incomes rather than lower incomes. That is part of a progressive tax system. That is a system which I would assume the Hon. Member and the members of the Liberal Party should be in favour of. I have heard them in the past speak out many times on the question of the unfairness of the tax system and the fact that the rich should be taxed and the poor should be taxed at lower levels. That is exactly what this proposal is doing. The tax is at a higher level for people with higher incomes than it is for those with lower incomes.

I would ask the Hon. Member this: Is she and is her Party in favour of a progressive tax system which taxes people with higher incomes more than those with lower incomes?

Ms. Guarnieri: Mr. Speaker, I thank the Hon. Member for his commentary. I appreciate his commitment to the principle of universality. You will forgive my sceptic-

ism, Mr. Speaker, since we have heard it before from our colleagues from the other side of the House.

If you will recall, Mr. Speaker, I asked a question on universality to which the Minister of National Health and Welfare replied. I distinctly remember his answer. It was quite concise. He did say he was committed to the principle of universality. As I pointed out subsequently, there is a difference between principle and application.

In answer to the Hon. Member's question, I think it is quite obvious that the Tories cannot be trusted to pursue deficit reduction in a manner that is fair and equitable to all Canadians. The Budget discriminates against many sectors of Canadian society. Families with children are penalized in this Budget. One-parent families are penalized. Seniors are penalized. Women are most definitely penalized.

I trust that Hon. Members from the other side of this House will search their souls and rectify the inequities that currently exist in the Budget of the Minister of Finance (Mr. Wilson).

Mr. Langdon: Mr. Speaker, I guess I am provoked by this latest exchange to make a comment. The comment is this: I have heard a lot of nonsense from the Conservative Party over the years, and not only from the Minister of Housing (Mr. Redway). He has usually been able to put points of view across that have reflected some understanding of reality and some sense of fairness. But he would have us believe that it is fair for a person who is aged 35 and making $100,000 a year should be paying a lower tax rate—

• (1420)

Mr. Redway: Mr. Speaker, I would love to have the opportunity to debate the Hon. Member. He appears to want to debate me now, but this is an opportunity for questions and comments. If you will allow me equal time to respond to the Hon. Member after his comment directed at me rather than the Speaker, I would be pleased to do so, sir.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: The period for questions and comments, of course, as the Member knows, is reserved for comments on the speech made by the Hon. Member for Mississauga East (Ms. Guarnieri).

Mr. Langdon: In that case, Mr. Speaker, I want to make it quite clear that I thought the Member was absolutely correct, contrary to some of the silly suggestions from across the way, in pointing out that when you have a system of universality, what you succeed in doing is creating a system that in tax terms is fair. At the present stage, of course, pensions are taxable and they are taxable at the rate at which any other piece of income is taxable. As the Member suggested, what this will do is create a situation where we take this special little piece of income, which is the return to senior citizens for the years of work they have put into this country, and we will tax it at a higher rate; in fact, ultimately at a confiscatory rate.

Mr. Kilgour: Very interesting.

Mr. Langdon: We are going to take everything away from these senior citizens. Why is it that those people should be chosen? That is the question I guess I would ask the Member who has spoken. It seems to me that this reflects the clear commitment against pensions right from the beginning of the Conservative Party and I would ask the Member if she would see things in those terms, too.

Ms. Guarnieri: Mr. Speaker, I thank the Hon. Member for his insightful comments.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Ms. Guarnieri: I spoke from the heart. I never studied to be a court jester, so you will have to forgive me if I am not as entertaining as the Hon. Member across from me.

Some Hon. Members: Oh, oh!

Ms. Guarnieri: I think that is a very insightful question that the Hon. Member put to me. In return I would like to put it to the individuals where I think the question belongs, that is, to the Members opposite us.

Why have they penalized the weak, the vulnerable elements of our society?

Mr. Beatty: The weak rich. The upper income weak.

Ms. Guarnieri: We have heard from the Tories this theory of Robin Hood. Well, I maintain that they are the Sheriffs of Nottingham, not the Robin Hoods of this world.

Mr. Hawkes: Mr. Speaker, it is nice to know that a new Member of the Chamber has taken the trouble to read a speech of mine from 1983.

I had the honour as a new Member in this House in 1979 to speak second on the Budget. I took great pride in rising in this House to inform the Members that in my view the 1979 Crosbie Budget—and I had the honour to speak after the then Hon. Minister of Finance—was the fairest Budget to poor people that had been presented to this House in the 1970s, and I watched the Members of the New Democratic Party and the Members of the Liberal Party in the House at that time stand up, vote

against the Budget, defeat the Government and cause an election to take place.

Some Hon. Members: Hear, hear!

Mr. Hawkes: One year later the organization that looks after the interests of those in poverty in Canada put out a public document that said the Crosbie Budget was the fairest budget to poor people that had been presented to this Parliament in the decade of the 1970s. Yet the Liberals and NDP voted against it and took it away from the poor people of this nation. Now I stand in this House and I say the millionaires of this country do not need the family allowance, they do not need the OAS, which is non-contributory pension, they will be glad to donate those back to the public treasury so the poor people of this nation can benefit from that money. I am proud to stand here and vote for it.

Some Hon. Members: Hear, hear!

Ms. Guarnieri: Mr. Speaker, obviously the Member turned a deaf ear to my pleas of fairness. But I notice that the Member did use the term fairness quite liberally.

I would like to ask the Member a question, if I may beg the indulgence of this House, as to where the fairness is for a family with two children in which both parents work and both earn $40,000 in income. They will not be forced to repay any of the family allowance payments which they receive since neither parent has a net income of $50,000. In contrast, a family that earns $60,000 net income will be forced to repay part or all of the family allowance it receives. I would love to hear the answer.

Mr. Deputy Speaker: Is there unanimous consent to allow the Member for Calgary West (Mr. Hawkes) a short time to answer?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Thank you Mr. Speaker for the opportunity to speak today about a subject that is fundamental to defining who we are as Canadians and how we are different from other countries—the social security system in Canada. Canadians can rightly be proud of the network of social programs in this country. They justifiably point to the impressive safety net that protects the weakest in our society. Yet the diverse system of programs is still flexible enough to meet the needs of all Canadians.

We place great emphasis on our health and social services and have done so for many years. Many Canadians are too young to remember the days when Canada did not have a universal medicare program. We are proud of the fact that each and every Canadian has the right to medical service.

We also have an extensive network of income security programs. We provide Old Age Security, Guaranteed Income Supplements and Canada Pension Plan benefits to the elderly. We support families with children through Family Allowances and income tax provisions for Child Care. The unemployed benefit from a generous Unemployment Insurance program.

This Government continues to be fully committed to securing this network of social programs now and in the future. We have the courage to take the steps necessary to ensure that future generations of Canadians can also benefit from an extensive system of social support as we benefit from it today.

What treatens this system of social support is our enormous national debt estimated to be over $320 billion in 1988-89. As a result of this debt, over 35 cents on every dollar of revenue collected by the federal government will go to paying interest on that debt in 1989-90.

We will spend $39 billion on interest payments. That is the single largest component of federal Government expenditures, larger than expenditures on all social programs.

It is imperative that we face the challenge of the debt problem today in order to preserve the basis for our system of social programs in the future.

• (1430)

To turn away from this problem is to continue to borrow from the future and to seriously endanger the economic and social future of our children.

Only 20 years ago, Canada had no deficit. Our entire national debt, accumulated over the first century of Confederation, was only $18 billion. How then did Canada manage to acquire this enormous debt? Like any

family or individual, it happened when Canada started living beyond its means.

At first it started small. Early government deficits were not seen by some as much of a problem. But the deficits began to grow each year. By the early 1980's the deficit soared out of control so that by the time this government had come into office, the $18 billion debt accumulated over the first century of Confederation had balloned to nearly $200 billion. At the same time the annual deficit was $38 billion.

The country had been placed on a treadmill. The enormous national debt began feeding on itself because of the sheer size of the interest that had to be paid every year.

This government did not stand idly by in the face of this enormous fiscal problem. From 1984 to 1989 this government introduced several important measures to bring government expenditures under control and to increase the yield from federal revenues.

The spending record of the last years demonstrates conclusively the success of our expenditure management strategy. From 1984–85 to 1988–89, total budgetary expenditures increased at an annual average rate of 5 per cent. In contrast, in the previous four years, expenditures rose an average of 15 per cent.

Nearly 45 per cent of the increased expenditure was due to higher public debt charges. The treadmill of debt we inherited is illustrated by the fact that by 1988–89, public debt charges were the single largest component of government expenditure.

This government has faced up to the debt problem over the last four years. To improve costs and improve government efficiency, we introduced measures to reduce operating costs. To remove inefficiencies, payments to Crown corporations and various subsidies were reduced. At the same time however, measures were taken to help those most in need and to help individuals adapt to changing economic and social circumstances.

Even so, the combination of expenditure management and continued economic growth were not sufficient to assure continual reductions in the annual deficit. Revenue–increasing actions were also required.

The yield from the tax system has been declining since the late 1970's and has contributed to the increases in the deficit experienced to 1984–85, this was due to actions instituted in the mid 1970's as well as the effect of the recession of 1981–82.

However, since 1984, even before the 1989 budget, this government has introduced tax measures that have resulted in budgetary revenues increasing from 15.9 per cent to 17.4 per cent of GDP from 1984–85 to 1988–89.

The 1989 budget takes this effort further, necessarily. It is impotant to understand all the benefits that come from debt control.

First, debt control reduces the burden imposed on the future of our children. From 1981–82 to the time this government took office, the public debt per household rose from $12,300 to $23,100, an increase of almost 90 per cent. Since that time the growth of public debt per household has slowed despite the treadmill of high interest payments. Nonetheless public debt per houshold still stands at $34,200.

Second, debt control provides fiscal flexibility. The high cost of servicing the debt, projected to reach over $39 billion in 1989–90 or 35 per cent of all budgetary revenues, reduces the government's ability to respond to changes in the economy and to provide public programs. Furthermore, in order to achieve ongoing reductions in the deficit, combinations of program expenditure reductions and revenue increases are required just to offset increases in interest payments on the debt.

Third, debt control contributes to a healthy and prosperous economy which is the foundation for the maintenance of our system of social programs. Sustained economic growth requires low and stable interest rates, low inflation rates and a high degree of investor confidence. Debt control reduces demand and increases savings. Along with changes in the structure and functioning of the Canadian economy in areas such as trade with the U.S., deregulation of energy and transportation, privatization of Crown corporations, the replacement of the Foreign Investment Review Agency with Investment Canada, and personal and corporate tax reform, debt control has been a significant factor in the strong economic record of achievement since 1984.

Fourth, debt control will raise the living standards for our children. It promotes high rates of investment by providing an economic environment conducive to growth and by reducing the shares of national savings absorbed by government to finance consumption. Ultimately this leads to higher productivity, more and better jobs, higher incomes and results in an enhanced ability to finance needed social programs.

Therefore this government has taken action in this budget to meet the threat posed by the growing public debt. We have had difficult choices to make but we have proposed a package of measures that reduce spending and increase taxes while protecting those Canadians most in need.

Furthermore, this government remains committed to a caring and compassionate society.

Our policies have helped the needy and the disadvantaged—and will continue to help these people in the coming years, regardless of what the oppositon has being alleging. And this Budget does not jeopardize the social safety net—in fact, the Budget measures *preserve* the social safety net by establishing the path for a sound financial basis for social programs in the future.

Our commitment is reflected in our success in reducing the incidence of poverty and hardship among Canadians. Since this government has come into power in 1984, well over 600,000 fewer people are living under the poverty line and the incidence of poverty has fallen from 17.3 per cent to 14.1 per cent.

These advancements are in large part a direct response to the Government's performance on both the economic and social fronts.

In this regard, our economic policies have improved income security by creating more jobs across Canada—in fact, over 1.3 million jobs were created—and "the best social policy is a job". They have also held inflation in check.

We have already brought the Canadian economy back to a solid footing after the recession of the early 1980's. We are now consolidating that economic base in order to do even better.

Through tax reform, we improved the simplicity, fairness and equity of the income tax system by converting personal exemptions to credits and by lowering and reducing the number of income tax rates. 850,000 low-income Canadians were taken off the tax rolls as the result of this policy change.

The Government remains firmly committed to maintaining social programs while recognizing the need to direct benefits to those most in need. One only has to look at the important improvements made in recent years in respect of benefits available to families to see that this Government strongly believes in assisting families in need.

Family allowances are currently received by over three and one-half million families on behalf of six and one-half million children. Gross federal payments in 1988-89 for this benefit totalled $2.6 billion.

The Child Tax Credit program directs funds to lower-income parents.

• (1440)

Since 1984, the maximum value of the basic credit has increased by more than 50 per cent; that is, it has increased from $367 to $559 per child. In addition, to ensure that benefits are received by parents on a timely basis, the credit is now prepaid in November of each year. Approximately 800,000 Canadians received the prepayment last November.

For families with preschool-aged children, effective for the 1988 tax year, a supplement has been introduced to the basic child tax credit equal to $100 per child. The supplement was also prepaid along with the basic credit in November. For the 1989 and subsequent tax years, the value of the supplement will increase to $200.

The issue of family violence is also a concern for this government—because it has long-lasting effects not only on individuals and families, but on society as a whole. Clearly, we all have an interest in resolving this problem. In 1988, the Federal Government announced a $40 million commitment to help address the problem of family violence. The cornerstone of this initiative is the establishment of 500 new short-term shelter units through CMHC for crisis assistance. The first emergency shelter funded through this initiative was opened in Swift Current, Saskatchewan.

Given the increasing Labour force participation rates of women and the changing structure of families, there is no doubt that child care is an important matter which the government must actively support, and we do provide substantial support—in the order of over $600 million per annum.

Included in this, of course, is the $200 million federal contribution to provincial/territorial governments in respect of their expenditures for child care services, under the Canada Assistance Plan.

Also included are the tax revenues foregone in respect of the Child Care Expense Deduction. Effective for the 1988 tax year, this deduction was increased in order to better reflect the actual costs of care faced by parents using receipted child care. For parents with preschool-aged children, the maximum deduction is now $4,000 per child, up from $2,000.

There is a $100 million child care initiatives fund which is intended to support innovative approaches to child

care. To date, the fund has supported a wide range of projects including a national child care survey by the National Day Care Research Network, a national conference sponsored by the Canadian Child Day Care Federation (which was held in early April in Winnipeg), and an evaluation of family day home care in Ontario.

The Government is committed to a comprehensive strategy for responding to the Labour Force Challenges of the 1990's. To ensure that the Canadian Labour Force of the 1990's will be highly skilled and capable of adapting to an evolving work environment, a new Labour Force Development Strategy was developed and announced in April.

Included in the strategy is the introduction of a multi-tiered system of maternity, parental and sickness benefits. The new regime will allow claimants to receive each type of benefit up to its maximum, as long as the cumulative duration of special benefits does not exceed 30 weeks.

Canadians can take considerable comfort and pride in the health and social security system that has been developed and fostered in this country. The most important thing that can be done to maintain and enhance this system is ensure a healthy and prosperous economy. The Government must act in a fiscally responsible manner now, in order to ensure a generous future for the generations to come.

To sum up Mr. Speaker, everyone in this House has a responsibility to pass on to Canadian children a system of health and social programs that will meet their needs and provide the kind of protection Canadians expect and demand.

Unless it is recognized that such a system cannot happen without a commitment to fiscal responsibility, then future generations will be faced with a legacy weaker than the one we inherited.

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of Supply pursuant to Standing Order 81(14).

[*English*]

Accordingly, the question is on the motion standing in the name of the Hon. Member Cape Breton—East Richmond (Mr. Dingwall). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. Pursuant to Standing Order 46(5), the recorded division stands deferred until six o'clock on Monday, May 8, 1989.

It being 2.47 o'clock, this House stands adjourned until Monday next at 11 o'clock pursuant to Standing Order 24(1).

The House adjourned at 2.47 p.m.